

Fiscal Estimate Narratives

DHS 5/2/2013

LRB Number	13-0319/1	Introduction Number	SB-159	Estimate Type	Original
Description Waiver for prescription drug assistance for elderly program, use of excess moneys in prescription drug assistance for elderly program, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The SeniorCare program provides prescription drug assistance to eligible Wisconsin residents over 65 years of age. The program currently operates under a Section 1115 demonstration project waiver through the Centers for Medicare and Medicaid Services (CMS). The demonstration project waiver has been extended to December 31, 2015. Under current law, the Department of Health Services pays SeniorCare benefit and administrative costs using GPR, PR, and federal MA matching funds, when available.

The bill requires the Department to use any remaining GPR, PR, and Federal funding, after all current obligations are met, to:

1. Reduce SeniorCare enrollment costs
2. Reduce SeniorCare prescription drug cost-sharing obligations
3. Increase the number of prescription drugs available through SeniorCare

This bill would not increase spending authority in SeniorCare appropriations; therefore, the Department would not incur expenditures above current appropriated amounts. However, this bill precludes the possibility of lapses to the general fund from the SeniorCare appropriations because it requires the Department to use all remaining funds within the program.

The amount of GPR, PR, and federal funding that would remain after meeting all SeniorCare obligations in any given year is unknown. The remaining funding amount, if any, depends upon the amount of variation between budget assumptions regarding caseload, drug costs, and drug rebates and the actual amounts experienced over the course of the biennium.

If there was a balance in SeniorCare GPR, PR, or FED appropriations, the Department would incur administrative costs to complete additional program analysis and to make system changes to participant enrollment costs, cost-sharing obligations, or the number of covered drugs. It is expected that system changes would cost approximately \$250,000 AF (\$125,000 GPR and \$125,000 FED) each year there is an appropriation balance.

The Department would need to request a waiver amendment to the current waiver from CMS to implement provisions of this bill related to changes in enrollee cost-share.

Finally, this bill requires the Department to submit a waiver request to continue the SeniorCare program upon expiration of the current waiver. Administrative costs associated with the submission of the request would be absorbed within the Department's current administrative budget.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Waiver for prescription drug assistance for elderly program, use of excess moneys in prescription drug assistance for elderly program, and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs	250,000		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$250,000		\$
B. State Costs by Source of Funds			
GPR	125,000		
FED	125,000		
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$		\$
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$250,000		\$
NET CHANGE IN REVENUE	\$		\$
Agency/Prepared By			
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			Date
			5/2/2013