

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>17-5216/1</b>	Introduction Number <b>AB-0008 (JR8)</b>
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**Description**  
 requiring child support compliance in the Medical Assistance program

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs
  - 2.  Decrease Costs
  - 3.  Increase Revenue
  - 4.  Decrease Revenue
- Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected** **Affected Ch. 20 Appropriations**

GPR  
  FED  
  PRO  
  PRS  
  SEG  
  SEGS

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## Fiscal Estimate Narratives

DCF 1/30/2018

LRB Number	17-5216/1	Introduction Number	AB-0008 (JR8)	Estimate Type	Original
<b>Description</b> requiring child support compliance in the Medical Assistance program					

### Assumptions Used in Arriving at Fiscal Estimate

The bill would require compliance with child support determinations and obligations as an eligibility condition for the Medical Assistance (MA) program. In order to be eligible for MA under the bill, a custodial parent of a dependent minor child is required to cooperate fully in good faith with efforts to establish paternity of the dependent minor child; establish or enforce any support order; or obtain any other payments or property to which the parent or child may have rights. Paternity establishment and support establishment or enforcement requirements would not apply to a custodial parent who has good cause for refusing to cooperate, as determined by the Department of Health Services (DHS) in accordance with federal regulations.

For a noncustodial parent (NCP) to be eligible for MA under the bill, the NCP would also be required to cooperate with paternity establishment and support establishment or enforcement. In addition, a NCP would be considered ineligible for MA in a month in which the parent is delinquent in making court-ordered support payments unless any of the following is true:

- The delinquency balance equals less than 3 months of the court-ordered support payment amount;
- A court or county child support agency allows the NCP to delay child support payments;
- The NCP is complying with a payment plan approved by the county child support agency;
- The NCP is participating in an employment and training program; or
- The NCP is participating in a substance abuse treatment program.

The bill provides that a dependent child remains eligible for MA even if the child's custodial parent is ineligible for MA due to failure to cooperate with paternity establishment or child support without good cause.

If DHS or the Department of Children and Families (DCF) determines that federal approval is required to implement any provision of the bill, the applicable department must submit a state plan amendment or waiver request to the federal Department of Health and Human Services (DHHS). The departments are required to implement the bill to the extent approved by DHHS and if DCF determines the bill can be implemented in a way that is substantially state budget neutral in regard to child support fees.

The department estimates a fiscal effect from the bill of at least \$246,000 to \$328,000 for IT system changes required to include child support requirements for NCPs in the KIDS system. The amount of staff costs involved in implementing the bill's requirements and associated IT changes is indeterminate at this time. No changes are expected to be required for provisions in the bill regarding custodial parent child support cooperation, as it was required under current law. Additional analysis will be required to determine the need for a state child support plan amendment or federal waiver and the impact of the bill on child support fees.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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**Description**  
 requiring child support compliance in the Medical Assistance program

**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

The department estimates a fiscal effect from the bill of at least \$246,000 to \$328,000 for IT system changes required to include child support requirements for NCPs in the KIDS system. The amount of staff costs involved in implementing the bill's requirements and associated IT changes is indeterminate at this time. Administrative costs for the state's Child Support Enforcement program are generally assumed at a funding split of 34 percent GPR and 66 percent Federal Funds Participation (FFP).

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		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>

B. State Costs by Source of Funds		
GPR		
FED		
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, ets.)**

	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$

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