

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	391,005		917,828	
CASH FUNDS				
FEDERAL FUNDS	477,895		1,116,318	
OTHER FUNDS				
TOTAL FUNDS	868,900		2,034,146	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill establishes the Medicaid Insurance for Workers with Disabilities Act. Medicaid assistance would continue for persons with disabilities who are employed including individuals with a medically improved condition whose family income is less than 250% of the federal poverty limit. Asset limits are \$10,000 for an individual; \$15,000 for a two-person family and \$25 for each additional family member. Those with incomes above 100% of FPL may be charged a premium, not to exceed 7% of the family's countable income. Recipients who lose employment will continue to be eligible for Medicaid for up to six month if they are seeking employment, if the job loss was to involuntary job loss or they are unfit to work because of a medical necessity and they continue to pay required premiums.

The Department of Health and Human Services estimates that those currently in the Medicaid Buy-In Program would continue on the program for a longer period of time due to higher asset limits and an additional four new people would become eligible. Medicaid costs would be \$868,900 (\$391,005 GF and \$477,895 FF) in FY 14 and \$1,984,900 (\$893,205 GF and \$1,091,695 FF) in FY 15. The department projects the costs to grow in the next biennium due to the higher asset limits.

An additional social service worker would be needed. The cost in FY 15 is \$49,246 (\$24,623 GF and FF).

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 261	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/26/2013	PHONE: 471-4173
COMMENTS: DHHS analysis and estimates appear reasonable.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 2-25-13

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	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$393,264		\$931,107	
CASH FUNDS				
FEDERAL FUNDS	\$475,636		\$1,119,275	
OTHER FUNDS				
TOTAL FUNDS	\$868,900		\$2,050,382	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The total cost of LB 261 to the Department of Health and Human Services would be \$2,919,282 for the two years covered by this fiscal note, \$1,321,267 in General Funds and \$1,598,015 in Federal Funds.

Based on data from other States that have similar Medical Improvement buy-in programs, it is estimated that four new people would become eligible for Medicaid due to LB 261. Using the FY 2011-2012 average expenditures for Medicaid Insurance for Working Disabled (MIWD) clients, it is estimated \$31,900 would be needed in State fiscal year 2013-2014 (\$14,438 GF and \$17,462 FF) and \$31,900 in FY 2014-2015 (\$14,438 GF and \$17,462 FF) to cover the expenses of four additional clients.

Currently the MIWD program is authorized under the Balanced Budget Act (BBA). LB 261 would move the authorization of MIWD from BBA to the Ticket To Work (TWWIIA) program. This change would increase the MIWD eligibility resource limits according to the TWWIIA program guidelines and would allow for longer periods of eligibility for those enrolled in the MIWD program.

The current average length of eligibility for MIWD clients is approximately six months. It is assumed all current eligible MIWD clients would remain on MIWD for up to five years due to the increased resource limits. Under the current program, 70 new clients are added every six months. Assuming this trend continues and no one loses eligibility for five years, MIWD would continue to grow by 140 clients every year until the five year extended eligibility period is reached in 2018. The estimated annual cost for the extended eligibility is \$837,000 in FY 2013-2014 (\$378,826 GF and \$458,174 FF) and \$1,953,000 in FY 2014-2015 (\$883,928 GF and \$1,069,072 FF.)

Although this fiscal note only covers two years, the entire five year extended eligibility period cost description is being included to demonstrate the full impact the increased eligibility will have on the MIWD program. The estimated annual cost for the additional three years is \$ 3,069,000 in FY 2015-2016 (\$1,389,029 GF and \$1,679,971 FF,) \$4,185,000 in FY 2016-2017 (\$1,894,131 GF and \$2,290,869 FF,) and \$5,301,000 in FY 2017-2018 (\$2,399,233 GF and \$2,901,767 FF.) Starting in FY 2018-2019 the growth of MIWD due to the increased eligibility would end and any further increases to MIWD would be considered to be part of normal Medicaid growth.

Due to the large increase of clients on MIWD in FY 2014-2015 DHHS will need to add 1 Social Services Worker at an estimated cost of \$65,482 (\$32,741 GF and \$32,741 FF.)

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
		13-14	14-15	EXPENDITURES	EXPENDITURES
	Social Services Worker	0	1	\$0	\$31,604

Benefits.....		\$12,641
Operating.....		\$21,237
Travel.....		
Capital Outlay.....		
Aid.....	\$868,900	\$1,984,900
Capital Improvements.....		
TOTAL.....	\$868,900	\$2,050,382