



**Fiscal Estimate Narratives**

**DHFS 6/3/2005**

LRB Number	<b>05-3066/2</b>	Introduction Number	<b>AB-438</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
May Budget Adjustment bill					

**Assumptions Used in Arriving at Fiscal Estimate**

AB 438 would impact programs administered by the Department of Health and Family Services in three ways. AB 413 would: (1) transfer \$75,000,000 from the general fund to the MA trust fund; (2) increase the GPR benefits appropriation for the SeniorCare program by \$2,000,000 GPR; and (3) authorize the Department to fund required 2003 Act 100 supplemental payments to county-owned nursing homes from the Medicaid GPR benefits appropriation as well as the Medicaid SEG benefits appropriation.

It is projected that the Medicaid Trust Fund will have at the end of FY 2005 a negative cash balance of \$74,685,500. A transfer of \$75,000,000 into the Trust Fund would eliminate the negative cash balance and leave an estimated balance of \$314,500 on June 30, 2005.

Costs for the SeniorCare program are projected to exceed the current budget by \$906,200 GPR in FY 05. An increase of \$2,000,000 GPR would eliminate this potential deficit, and leave GPR funding of \$1,093,800 that would lapse to the General Fund at the end of FY 05.

Under 2003 Act 100, based on higher-than-budgeted federal matching funds for Medicaid claims for county-owned nursing homes, a supplemental payment of \$17,732,100 SEG must be paid to county-owned nursing homes. 2003 Act 100 required that this supplemental payment be made from the Medicaid Trust Fund. However, available SEG expenditure authority for FY 2005 for payments from the Medicaid Trust Fund totals only \$10,398,401. There is available GPR expenditure to accommodate payment of this supplement. Modifying statutory and Act 100 provisions to allow the supplemental payment to be paid from the Medicaid GPR appropriation as well as the Medicaid Trust Fund would allow this payment to be fully made in FY 05 without increasing current GPR or SEG appropriations.

**Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 05-3066/2	<b>Introduction Number</b> AB-438	
<b>Subject</b>		
May Budget Adjustment bill		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
The Bill would transfer \$75,000,000 from the General Fund to the Medicaid Trust Fund to eliminate a negative cash balance projected for the Medicaid Trust Fund. Also, the Bill would increase the SeniorCare GPR benefits appropriation by \$2,000,000 GPR to support program costs that are projected to exceed the current funding level by \$906,200.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
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>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	State	Local
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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