



## Fiscal Estimate Narratives

DHS 11/8/2011

LRB Number	11-2310/1	Introduction Number	AB-0339	Estimate Type	Original
<b>Description</b> Eliminating the ability for the Department of Health Services to alter Medical Assistance eligibility, provider payment methods, and other Medical Assistance procedures by policy					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Health Services (DHS) has the authority to implement policy changes to the Medicaid program that may conflict with existing statute. The authority to change policy that may conflict with statute is limited in scope to those policies listed under s. 49.45 (2m) (c) and was granted in the biennial budget, 2011 Wisconsin Act 32. The Legislature granted DHS the authority to enable the Department to achieve significant savings in the overall Medicaid program budget. The Department currently estimates \$219,500,000 GPR (\$554,360,00 AF) in savings measures are needed to maintain the program within budgeted levels in the 2011-13 Biennium. Medicaid expenditures are driven by multiple factors. This estimate of needed savings may change throughout the current biennium based on those factors.

Under this bill, the Department would not have the authority to implement policy changes that conflict with existing statute. As a result, DHS would experience Medicaid program expenditures that exceed budgeted funds over the biennium. While the Department would retain the ability to implement certain measures within current statutory authority, the estimated fiscal effect to DHS under this bill would be up to \$219,500,000 GPR/PR/SEG (\$554,360,000 AF) in the 2011-13 biennium.

### Long-Range Fiscal Implications