

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based on amendments adopted through 4-30-03

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2003-04		FY 2004-05	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(4,281,551)		(5,159,927)	
CASH FUNDS				
FEDERAL FUNDS	(5,858,218)		(7,597,727)	
OTHER FUNDS				
TOTAL FUNDS	(10,139,769)		(12,757,654)	

*Does not include impact on political subdivisions. See narrative for political subdivision estimates.

This bill makes several changes to Medicaid eligibility and the scope of services provided under the Medicaid Program.

The bill places a limit on chiropractic services provided to adults allowing 20 a year. Currently 18 are allowed every five months. Orthodontic treatments for children are restricted to the most severe cases. Frame replacement for adults would be limited to one per year. The federally optional coverage of children ages 19 and 20, known as the Ribicoff Program is eliminated. Presumptive eligibility and children is eliminated. The bill contains an emergency clause.

Limitations on orthodontic treatments for children would save \$2,147,500 (\$859,000 GF and \$1,288,500 FF) in FY 04 and \$2,178,000 (\$871,600 GF and \$1,306,500 FF) in FY 05.

Limiting chiropractic services and frame and lens replacements for adults would save \$642,500 (\$257,000 GF and 385,500 FF) and \$775,000 (\$310,000 GF and \$465,000 FF) in FY 05.

The Ribicoff Program covers persons ages 19 and 20 year olds who are either single or married without children. The income standard is the Medically Needy level or \$392 for a one-person household. Approximately 3,100 young adults would lose coverage. Savings in FY 04 are \$5,578,667 (\$2,430,000 GF and \$3,148,667 FF) and \$7,898,000 (\$3,175,000 GF and \$4,723,000 FF) in FY 05. This program could impact the medical assistance programs provided by counties, if individuals cut from Medicaid seek aid from their county. Elimination of this coverage would also result in personnel and operating cost reductions. Ten fewer social service workers would be needed. Adjusting for a partial year savings in FY 04, savings would be \$271,102 (135,551 GF and FF) and \$406,654 (203,327 GF and FF).

Approximately 80% of children who receive services under presumptive eligibility are later determined eligible for Medicaid. By eliminating the presumptive eligibility provisions, approximately 340 children a month would not receive services. The elimination of presumptive eligibility for children would reduce costs by \$1,500,000 (\$600,000 GF and \$900,000 FF) in FY 04 and in FY 05.

This bill contains the emergency clause. However, the number of months of savings in the first year are variable depending on the change. Rules and regulation changes are required as well as federal plan amendments. In addition, some provisions require current recipients to be notified, resulting in a shorter period of savings in FY 04 only. The savings are contained in the mainline budget bill, LB 407.