

Revised based on amendments adopted through 7-29-20

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			\$107,914	
CASH FUNDS			\$23,669	\$54,375
FEDERAL FUNDS			\$166,277	
OTHER FUNDS				
TOTAL FUNDS			\$297,860	\$54,375

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

This bill as amended converts and updates the current Medical Insurance for Workers with Disabilities coverage to the federal Ticket to Work Program standards. The bill removes the trial work period. The Ticket to Work Program allows for continued coverage with a medically-improved condition. Current income requirements are not changed. The graduated premium amount that currently can be assessed is 2% to 10% of income. The bill changes the cap to 7.5%.

The current application process is complex and cumbersome. The Ticket to Work Program streamlines the application and eligibility process. Changing to the Ticket to Work Program will save administrative time, but the extent to which it will be reduced has not been quantified. Because of the complexity of the application process, the Department of Health and Human Services has indicated that currently eligible individuals are not receiving coverage either because of errors in determining eligibility or applicants submitting incorrect applications. Although the bill does not change income and resource eligibility, more individuals are anticipated to make it through the application process successfully under the streamlined process. The number of additional applicants that would make it through the new process is unknown. The program currently serves 70 individuals. The department estimates that up to 50 additional individuals a year would make it through the new process, but the number could be lower.

The department’s fiscal note shows an estimate of 80% of the estimated new successful applicants would be dual eligible with Medicare. The capitation rate would be \$281 a month. They also estimate that 20% would be non-duals. However, they would only be non-duals on a temporary basis as they are awaiting the federal Medicare determination. The higher monthly capitation rate for these individuals would be \$1,808.

The pandemic has resulted in slower processing by the Centers for Medicare and Medicaid (CMS). The estimated start date is July 1, 2021. Estimated premium revenue is \$54,375. Of this amount, \$23,669 would offset General Fund costs and \$30,706 would offset federal fund costs. Aid costs would be \$268,115 (\$93,041 GF, \$23,669 CF and \$151,404 FF) in FY 22. Those with an improved condition may stay on the Medicaid Program but would lose Medicare coverage. The impact would not occur until the out years and that number is unknown, also.

There would be a one-time cost of \$29,746 (\$14,873 GF and FF) in FY 22 to modify NFOCUS.