

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2007-08</b>		<b>FY 2008-09</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	(125,156)		(619,391)	
CASH FUNDS				
FEDERAL FUNDS	(187,733)		(412,927)	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>(312,889)</b>		<b>(1,032,318)</b>	

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

This bill requires personal representatives of decedents, age 55 or older who resided in a nursing home, intermediate care facility for the mentally retarded or inpatient hospital, to notify the Department of Health and Human Services Finance and Support within 14 days of their appointment.

Currently the department obtains information on the death of an individual who may have had services paid for by the Medicaid Program through notices in the newspapers. Requiring this information from personal representatives would give the department better access to information that will allow for increased asset recovery. South Dakota has a similar requirement and has experienced an increase in recoveries as a result.

In FY 2004, nursing home expenditures were \$359.7 million with recoveries of \$1.1 million. This is a collection rate of .03%. Nationally, the rate is .08%. Assuming this information allows the state to achieve the same rate of recovery as the national average over time, savings of \$ 312,889 (\$125,156 GF and \$187,733 FF) are projected in FY 08. In FY 09, the recoveries are anticipated to increase to \$1,032,318 (\$619,391 GF and \$412,927 FF).