

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5032-01  
Bill No.: HB 1868  
Subject: Insurance - Medical; Medicaid; Social Services Department  
Type: Original  
Date: April 4, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Revenue	(\$107,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$107,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Federal*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and costs of approximately \$107,000 in FY07 would net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Missouri House of Representatives, Missouri Senate, and Office of the Governor** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Health and Senior Services (DOH)** state the proposal would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Department of Mental Health (DMH)** assume the Department of Social Services would be responsible for providing the reports required in this proposal, including clients of DMH. Therefore, DMH assumes this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Information Technology and Services Division (ITSD)** assumes that employer information will have to be validated. This estimate includes the hours required to research and develop the processes needed for the capture and validation of said data, in addition to the data sharing agreements across agencies.

### **ASSUMPTION** (continued)

CAM :LR:OD (12/02)

In order to implement this proposal, ITSD states the following efforts will be required.

- (1) Conduct analysis and design to modify the existing Income Maintenance systems to capture and report employer information.
- (2) Develop the necessary processes to validate employer information.
- (3) Modify existing Income Maintenance database records to store information for each employer.
- (4) Develop new Income Maintenance transactions for the caseworkers to enter and maintain employer data.
- (5) Modify existing Income Maintenance transactions that will allow entry of those individuals employed by the select employers.
- (6) Develop the necessary requirements and format to provide this report on or before July 01 of each year to the General Assembly as well as to the Department of Social Services Internet site.
- (7) Work with each Agency and program area to fully test the entire spectrum of functionality for this system enhancement prior to its implementation.
- (8) No additional equipment or FTE staff would be needed to complete this effort.

The estimate for the above portion of this effort is 1,800 hours. Depending on the implementation date, two contract developers @ \$75.00 per hr for approximately 5 months in addition to one ITSD Database Administrator for an additional 240 hours would be needed to design, code, test and implement this requirement.

Officials from the **Department of Social Services - Family Support Division (FSD)** state as a routine part of their job, Income Maintenance caseworkers within FSD currently collect data regarding the employer's name and location for each Medicaid beneficiary or any adult who is responsible for providing all or some of the proposed beneficiary's support. The data is collected at the time of application and updated at each subsequent reinvestigation of the household's circumstances. Currently, this process is done in both the FAMIS and Legacy systems depending on the type of assistance requested by the claimant. Medicaid applications are currently registered in the Legacy system but this process is scheduled to change very soon, with some of the Medicaid programs transitioning to FAMIS within the next year. Eventually, all Medicaid applications will be registered in the FAMIS system only. Therefore, it is necessary for both systems to be updated to capture the required information.

The employer information would be compiled annually by DSS Research and Evaluation into a report for transmittal to the general assembly. The report would also be made available to the public on the Department of Social Services Internet website.

ASSUMPTION (continued)

CAM :LR:OD (12/02)

FSD anticipates that changes to the online data collection system through the Information Technology and Services Division (ITSD) and FAMIS would be required to track and compile employer information as outlined in this legislation. FAMIS personnel estimate the cost for system changes to be \$25,000.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE</b>			
<u>Costs</u> - Department of Social Services - Information Technology and Systems Division			
Program Costs	(\$94,500)	\$0	\$0
<u>Costs</u> - Department of Social Services - Family Support Division			
Program Costs	<u>(\$12,500)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$107,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FEDERAL</b>			
Income - Department of Social Services			
Program reimbursements	\$53,000	\$0	\$0
<u>Costs</u> - Department of Social Services - Information Technology and Systems Division			
Program Costs	(\$40,500)	\$0	\$0
<u>Costs</u> - Department of Social Services - Family Support Division			
Program Costs	<u>(\$12,500)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON FEDERAL</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Local Government

FY 2007  
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

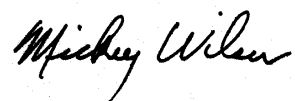
This proposal establishes the Health Care Responsibility Act which requires applicants for Missouri Medicaid Program benefits to identify their employers. If an applicant is not employed, the individual must identify the employer of any adult who is responsible for providing his or her support.

The Department of Social Services must submit an annual report to the Governor and General Assembly within 30 days of the end of each calendar year, beginning with 2007. The report must provide information on each employer who has more than 50 employees with at least 25 of them receiving Medicaid assistance. For each employer, the report must identify the employer's name and address; number of program beneficiaries; number of beneficiaries who are spouses or dependents of employees; whether the employer offers health insurance benefits and, if offered, the level of premium subsidies; whether the employer receives health insurance benefits through the company; and the state's cost of providing Medicaid benefits for the employer's employees and enrolled dependents.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Office of the Governor  
Missouri House of Representatives  
Missouri Senate  
Department of Mental Health



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