

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3732-02
Bill No.: HB 2167
Subject: Social Services Department; Public Assistance
Type: Original
Date: January 27, 2020

Bill Summary: This proposal requires the Department of Social Services to conduct a study on generational use of public assistance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$250,000 to \$1,250,000)	(\$250,000 to \$1,250,000)	\$0 to (\$1,000,000)
Total Estimated Net Effect on General Revenue	(\$250,000 to \$1,250,000)	(\$250,000 to \$1,250,000)	\$0 to (\$1,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.1010 - Generational study

Officials from the **Department of Social Services, Family Support Division (FSD)** state FSD currently collects relationship data on individuals that reside in the same household and the data is stored for 15 years. However, FSD does not currently have the capability of tracking recipients that identify relationships among recipients across households.

The FSD would need to complete a request for proposal for an outside vendor to collect data on the generational use of all public assistance programs FSD administers in order to provide a report, as required by this proposed legislation.

The FSD estimates the cost of the study to be approximately \$250,000 per year for the next two years.

If this information would need to be tracked for future reporting, the eligibility systems could be modified to capture relationships among recipients across households to be used to track future generational use of public assistance.

However, due to the volume of data that would be collected on an ongoing basis, FSD would have to contract with a vendor to complete the analysis of the information. The cost to complete this is unknown. FSD estimates the cost will be \$0 - \$1 million per year to complete the analysis.

Therefore, the estimated fiscal impact to FSD is: FY 21 - \$250,000 to \$1,250,000 (100% GR); FY 22 - \$250,000 to \$1,250,000 (100% GR) and FY 23 - \$0 to \$1,000,000 (100% GR).

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DSS for fiscal note purposes.

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state that updates will be needed to both the Missouri Eligibility Determination and Enrollment System (MEDES) and Family Assistance Management Information System (FAMIS) programming if the generational study is intended to be ongoing.

The MEDES project was started in 2013 to bring Missouri into compliance with the Patient Protection and Affordable Care Act of 2010 (ACA). The system currently provides eligibility determinations for the categories of Medicaid (MO HealthNet) based on Modified Adjusted Gross Income (MAGI) criteria established by the ACA. These were the "family Medicaid"

ASSUMPTION (continued)

categories prior to the ACA and include the MO HealthNet for Families (MHF), Children's Health Insurance Program (CHIP) and MO HealthNet for Pregnant Women (MPW) as well as several other family/children Medicaid categories.

The addition of §208.1010 requires collection, storage and processing of data from applicants and recipients of MO HealthNet (Medicaid) coverage at time of application for new recipients and during the annual review process for persons already enrolled. This will require the addition of questions regarding current or past coverage of parents, grandparents and great grandparents on application and reinvestigation paper forms, as well as, the Citizen Portal and Worker Portal. Database fields will have to be added to either the Curam database or an external database and maintained for the purpose of creating the report that is required on or before 01/01/23. IBM Curam is a commercial-off-the-shelf (COTS) case management software package for determining and maintaining public assistance eligibility cases and comprises the core of the MEDES application.

Updates to MEDES would include the following: adding questions regarding current and past eligibility of the applicant's or each individual's parent, grandparents and great grandparents to the annual review form, add person(s) to an existing care form and the online applications in the Citizen Portal and the Work Portal; new database fields to capture participant answers to questions and addition of an Informatica extraction process to pull and analyze the data to create the statistical report in the fourth calendar quarter of 2022.

The MEDES application is maintained and operated by Redmane, LLC under contract #C2170849002. This contract includes a provision for enhancements and changes to be completed via Project Assessment Quotation (PAQ). Maintenance will be covered at no additional cost under the existing Redmane M&O contract #C2170849002.

Since there is no federal requirement for this report, it is assumed the entire expenditure will be funded via General Revenue.

FAMIS does not have a mechanism to obtain relationship information of participants prior to their respective programs being implemented in FAMIS. OA, ITSD/DSS notes that costs reflected in their response is to only provide a one-time report of data that is available in FAMIS.

Modifications for the MEDES system must be performed by Redmane. Hourly IT costs under this contract vary by position title and work type and are estimated to take 610 hours for a total cost of \$90,990 (100% GR) in FY 21 exclusively.

ASSUMPTION (continued)

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for FAMIS are estimated at \$95/hour. It is assumed FAMIS modifications will require 129.60 hours for a cost of \$12,312 ($129.60 * \95), 100% GR.

Therefore, total MEDES and FAMIS system upgrades will cost \$103,302 (100% GR) in FY 21 exclusively if the generational study is intended to be ongoing.

Oversight does not have any information to the contrary. However, Oversight notes that the collection of data is to be obtained from individuals who newly apply or recertify for public assistance after July 31, 2020 and before August 1, 2022. Therefore, since the language of the legislation indicates a one-time collection of data and reporting, Oversight will not include the costs provided by OA, ITSD/DSS for fiscal note purposes.

Officials from the **Department of Health and Senior Services (DHSS)** state §208.1010 would allow the Department of Social Services (DSS) to collaborate with the Department of Health and Senior Services (DHSS) to conduct a generational study of services provided by DSS, Family Support Division (FSD). Because the bill requires DSS to show the number of recipients who are second, third, or fourth generation recipients of FSD benefits, the Bureau of Epidemiology and Vital Statistics (BEVS) and Health Care Analysis and Data Dissemination (BHCADD) housed within DHSS expects to receive requests from DSS to create linkages between family members in the course of the study.

BEVS and BHCADD currently provides data of this nature to DSS on a regular basis. While the number of requests for data would be expected to increase, it is assumed that there would be a marginal amount of additional work required for BEVS or BHCADD.

DHSS anticipates being able to absorb these costs; however, until the FY 2021 budget is final, the department cannot identify funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect DHSS defers to DSS for their fiscal impact for fiscal note purposes.

<u>FISCAL IMPACT - State Government</u>	<u>FY 2021</u> <u>(10 Mo.)</u>	<u>FY 2022</u>	<u>FY 2023</u>
GENERAL REVENUE			
Costs - DSS/FSD (§208.1010)			
Vendor data collection and analysis	<u>(\$250,000 to</u> <u>\$1,250,000)</u>	<u>(\$250,000 to</u> <u>\$1,250,000)</u>	<u>\$0 to</u> <u>(\$1,000,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$250,000 to</u> <u>\$1,250,000)</u>	<u>(\$250,000 to</u> <u>\$1,250,000)</u>	<u>\$0 to</u> <u>(\$1,000,000)</u>
 <u>FISCAL IMPACT - Local Government</u>	 <u>FY 2021</u> <u>(10 Mo.)</u>	 <u>FY 2022</u>	 <u>FY 2023</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill requires the Department of Social Services to conduct a study on the generational use of public assistance by collecting information from new additions and recertifications of persons receiving public assistance between July 31, 2020 and August 1, 2022. The department shall determine how many recipients of benefits are the children, grandchildren, or great-grandchildren of individuals who have also received such benefits and submit a report to the General Assembly by January 1, 2023 (§208.1010).

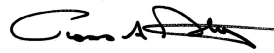
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services



Julie Morff
Director
January 27, 2020



Ross Strobe
Assistant Director
January 27, 2020