COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1455H.05P
Bill No.: Perfected HCS for HB 719
Subject: Public Assistance; Housing; Department of Social Services; Children and Minors
Type: Original
Date: April 10, 2023

Bill Summary: This proposal modifies provisions relating to public assistance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue	Could significantly exceed ($183,189,758 to $218,799,391)	Could significantly exceed ($192,772,105 to $232,093,983)	Could significantly exceed ($192,530,818 to $231,858,108)	Could significantly exceed ($192,424,311 to $231,762,658)
Total Estimated Net Effect on General Revenue*/**	**Could significantly exceed ($183,189,758 to $218,799,391)**	**Could significantly exceed ($192,772,105 to $232,093,983)**	**Could significantly exceed ($192,530,818 to $231,858,108)**	**Could significantly exceed ($192,424,311 to $231,762,658)**

*Range based on waiver approvals for various programs.
**Per subsection 208.146.9, the Ticket-to-Work Health Assurance Program expires August 28, 2025; therefore, Oversight is only showing two (2) months of impact in FY 2026 and no costs ongoing.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on Other State Funds	**$0**	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Federal	$0	$0	$0	$0
Total Estimated Net Effect on All Federal Funds*/**	**$0**	**$0**	**$0**	**$0**

*Income and expenses are estimated to range from *13.5 million to $44.7 million in FY24, then $23 million to $61.4 million annually and net to $0.
** Provisions of TWHA expire August 28, 2025.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue	35 to 35.5 FTE	35 to 35.5 FTE	36 to 36.5 FTE	36 to 36.5 FTE
Federal	8.5 to 9 FTE	8.5 to 9 FTE	8.5 to 9 FTE	8.5 to 9 FTE
Total Estimated Net Effect on FTE	**43.5 to 44.5 FTE**	**43.5 to 44.5 FTE**	**44.5 to 45.5 FTE**	**44.5 to 45.5 FTE**

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed $250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed $250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Local Government	**$0**	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

House Amendment 1 – Modifies the income guidelines for transitional benefit programs

§208.035 - Transitional benefits program for TANF and SNAP recipients as modified by House Amendment 1

Officials from the **Department of Social Services (DSS, Family Support Division (FSD)** state the proposed legislation would require DSS to develop and implement a transitional benefits program for Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP).

Supplemental Nutrition Assistance Program (SNAP):

Currently, 7 CFR 273.26 and 7 CFR 273.27(a) provides states the option to provide transitional SNAP benefits to households when they become ineligible for TANF and SNAP benefits simultaneously due to excessive earned income. At this time, SNAP Transitional Benefit Alternative (TBA) could be explored for up to five months at a level equal to the SNAP benefit amount received at the time of their TANF grant termination with adjustment for the loss of the TANF income. SNAP TBA would also require an amendment to the State Plan, which would require at least 6 months for implementation.

However, the provisions of the proposed legislation creates a transitional program for all SNAP participants whose income exceeds the income maximum and requires DSS to apply for a waiver. The maximum gross income limit for SNAP eligibility is currently 130% of the Federal Poverty Level (FPL). SNAP participants become ineligible when their total gross income exceeds the 130% FPL for their household size. SNAP participants whose monthly income has exceeded 130% FPL or $6,250, adjusted for Consumer Price Index (CPI), whichever is lower, will continue receiving reduced benefits, as described in the legislation until the income reaches or exceeds 225% FPL for their household size.

FSD determined that there would be approximately 9,105 SNAP households per year eligible for transitional benefits. FSD made this determination in the following manner:

During SFY 22, there were 9,105 SNAP cases that closed due to income over 130% FPL and below $6,250 per month and 225% FPL for their household size.

The provisions of this legislation require DSS to gradually step down the beneficiary's monthly benefit proportionate to the increase in the beneficiary's income. The determination for a beneficiary's transitional benefit shall decrease by 1% for each 1% over the program's maximum allowable income or six thousand two hundred and fifty dollars, adjusted for CPI, up to 225 % FPL. FSD assumes this means that for each 1% over the 130% FPL, the monthly SNAP benefits will decrease by 1% of the amount that the household was receiving at the time the household lost SNAP eligibility due to income above 130% FPL or a household's income reaches $6,250 per month or 225% FPL for their household size. The amount of SNAP benefits households receive when reporting income increases over 130% FPL depend on what their last verified income and household size was at the last eligibility determination.

Additionally, it is unknown how much each household that reports increases in income over 130% FPL will be over the income maximum. To determine the potential fiscal impact, FSD used the average SNAP benefit amount in SFY 2022 of $359 per household and determined that a 1% increase over 130% FPL would result in an average SNAP benefit of $355 ($359 * 0.01 = $3.59) ($359 – $3.59 = $355.41, rounded down) per month and a 95% increase over 130% FPL would result in an average SNAP benefit of $18 ($359 * 0.95 = $341.05)($359 - $341.05 = $17.95, rounded up) per month. Therefore, FSD determined that the total transitional SNAP benefits per month could range from $163,890 ($9,105 * $18 = $163,890) to $3,232,275(9,105 * $355 = $3,232,275). **Annually, the total transitional SNAP benefits is estimated to be $1,966,680 ($163,890 * 12 = $1,966,680) to $38,787,300 ($3,232,275 * 12 = $38,787,300).**

Because the provisions of this legislation do not outline income reporting requirements, FSD assumes individuals will be required to complete case reviews at regular intervals. FSD assumes this would result in up to four notices per year per household. Sending out additional notices to these households will result in additional mailing costs. The mailing cost at the bulk mailing rate is $0.52 per notice.

FSD estimates that the additional mailing costs will be up to $18,938 (9,105 * 4 * $0.52 = $18,938.40, rounded down) per year.

Therefore, FSD estimates potential fiscal impact for section 208.035 for SNAP is $1,985,618 ($1,966,680 + $18,938 = $1,985,618) to $38,806,238 ($38,787,300 + $18,938 = $38,806,238) in SFY 24. This legislation does not outline any time restrictions to receive the transitional benefits. Therefore, FSD assumes that the population could continue to grow each year. The growth of the population is unknown. **Therefore, the fiscal impact beginning in SFY 25 is estimated to be $1,985,618 – unknown.**

Temporary Assistance for Needy Families (TANF):

Currently, DSS administers a state funded transitional program for TANF cases closed for excessive earned income. This program is named the Transitional Employment Benefit (TEB). Participants can receive TEB for up to six months as long as they remain working during that time. This is authorized under the approved TANF state plan by the Administration for Children and Families (ACF). FSD assumes if the provisions of this legislation are enacted, the new transitional program will replace the TEB program.

However, the provisions of the proposed legislation creates a transitional program for all TANF participants whose income exceeds the income maximum and requires DSS to apply for a waiver.

TANF eligibility is not based on the FPL. TANF eligibility is determined by applying an income test based on a Consolidated Standard Expense. The maximum gross income for TANF is 185% of the Consolidated Standard Expense. TANF participants whose monthly income has exceeded the maximum gross income for TANF or $6,250, adjusted for CPI, whichever is lower, will continue receiving reduced benefits, as described in the legislation until the income reaches or exceeds 225% FPL for their household size.

FSD determined there would be approximately 2,026 TANF households per year eligible for transitional benefits. FSD made this determination in the following manner:

During SFY 22, there were 2,019 TANF cases that closed due to income over the Consolidated Standard Expense and below $6,250 per month and 225% FPL for their household size.

The provisions of this legislation require DSS to gradually step down the beneficiary's monthly benefit proportionate to the increase in the beneficiary's income. The determination for a beneficiary's transitional benefit shall decrease by 1% for each 1% over the program's maximum allowable income, or six thousand two hundred and fifty dollars, adjusted for CPI, up to 225 % FPL. FSD assumes this means that for each 1% over the Consolidated Standard Expense for a TANF household size, the TANF benefits will decrease by 1% of the amount that the household was receiving at the time the household lost TANF eligibility due to income above the Consolidated Standard Expense. The amount of TANF benefits households receive when reporting income increases over the Consolidated Standard Expense depend on what their last verified income and household size was at the last eligibility determination.

Additionally, it is unknown how much each household that reports increases in income over the Consolidated Standard Expense will be over the income maximum. To determine the potential fiscal impact, FSD used the average TANF benefit amount in SFY 2022 of $224 per household and determined that a 1% increase over the Consolidated Standard Expense would result in an average TANF benefit of $222 ($224 * 0.01 = $2.24) ($224 – $2.24 = $221.76, rounded up) per month and a 99% increase over the Consolidated Standard Expense would result in an average TANF benefit of $2 ($224 * .99 = $221.76)($224 - $221.76 = $2.24, rounded down) per month.

Therefore, FSD determined that the total transitional TANF benefits per month could range from $4,038 (2,019 * $2 = $4,038) to $448,218 (2,019 * $222 = $448,218). **Annually, the total**

transitional TANF benefits is estimated to be $48,456 ($4,038 * 12 = $48,456) to $5,378,616 ($448,218 * 12 = $5,378,616).

Because the provisions of this legislation do not outline income reporting requirements, FSD assumes individuals will be required to complete case reviews at regular intervals. FSD assumes that this would result in up to four notices per year per household. Sending out additional notices to these households will result in additional mailing costs. The mailing cost at the bulk mailing rate is $0.52 per notice. **FSD estimates the additional mailing costs will be up to $4,200 (2,019 * 4 * $0.52 = $4,199.52, rounded up) per year.**

Therefore, FSD estimates potential fiscal impact for section 208.035 for TANF is $52,656 ($48,456 + $4,200 = $52,656) to $5,382,816 ($5,378,616+ $4,200 = $5,382,816) in SFY 24. This legislation does not outline any time restrictions to receive the transitional benefits. Therefore, FSD assumes that the population could continue to grow each year. The growth of the population is unknown. **Therefore, the fiscal impact beginning in SFY 25 is estimated to be $52,656 – unknown.**

SNAP and TANF:

FSD will require additional FTE to process case reviews at regular intervals as a result of the implementation of the transitional SNAP and TANF programs. FSD assumes regular intervals is defined as two case reviews per year. For the purposes of this fiscal note, FSD makes the assumption that those eligible for the SNAP transitional program that also had been receiving TANF, would also be eligible for the TANF transitional program and the reviews would be completed at the same time. FSD estimates it takes approximately 30 minutes to complete a case review for a total of 1 hour per case per year. Therefore, FSD estimates it will take 9,105 hours per year to complete case reviews of the transitional cases. Based on 2,080 working hours annually, **5 Benefit Program Technicians** (9,105/2,080 = 4.4, rounded up), **1 Benefit Program Supervisor** (5/10 = 0.5, rounded up), and **1 Program Coordinator** (1/10 = 0.1, rounded up), for a **total of up to 7 FTE** (5 + 1 + 1 = 7) are needed to implement the provisions of 208.035.

FSD currently utilizes a third party vendor to administer SNAP and TANF benefits. The current EBT vendor estimates the necessary programming changes will cost approximately $8,000 per year.

There are currently no state plan options for SNAP or TANF that would allow the state to implement the provisions of this legislation. DSS would request waivers from the Food and Nutrition Services (FNS) for SNAP and ACF for TANF. FSD assumes that if the waiver requests are not approved by the federal partners, the provisions of this legislation will not be implemented. **If it is determined that the provisions of this legislation will be implemented**

without waiver approval, an appropriation of General Revenue (GR) will be required to fund the program.

Therefore, the total fiscal impact to FSD for the provisions in 208.035 is $2,046,274($1,985,618 + $52,656 + $8,000 = $2,046,274) to $44,197,054 ($38,806,238+ $5,382,816 + $8,000 = $44,197,054) and 7 FTE in SFY 24.

Oversight notes there is no emergency clause for the provisions in this proposal. Therefore FY24 SNAP and TANF transitional benefits costs will be reflected as follows:

$0 or Up to $1,638,900 to $32,322,750 (10 months of SNAP transitional benefits)
+ $15,782 (10 months of SNAP transitional benefits mailings)
+ Up to $40,380 to $4,482,180 (10 months of TANF transitional benefits)
+ $3,500 (10 months of TANF transitional benefits mailings)
<u>+ $8,000 (EBT vendor)</u>
$1,698,562 to $36,824,212 total SNAP and TANF transitional benefit costs

FSD assumes the population could continue to grow each year. The growth of the population is unknown. Therefore, the fiscal impact beginning in SFY 25 is estimated to be $2,046,274 (1,985,618+ 52,656 + 8,000) – unknown.

Oversight does not have information to the contrary. Therefore, Oversight will reflect the estimates for FY25 and beyond as provided by DSS, FSD as follows:

$0 or Up to $1,966,680 to “could exceed” $38,787,300 (SNAP transitional benefits)
+ $18,938 (SNAP transitional benefits mailings)
+ $5,378,616 to Unknown (TANF transitional benefits)
+ $4,200 (TANF transitional benefits mailings)
<u>+ $8,000 (EBT vendor)</u>
Could significantly exceed $2,038,274 to $44,189,054 in total SNAP and TANF transitional benefit costs.

Officials from the **Department of Social Services (DSS), Division of Legal Services (DLS)** state, because DLS conducts administrative hearings for the public assistance programs, the creation of new transitional programs for temporary assistance for needy families (TANF) and the supplemental nutrition assistance program (SNAP) will require additional resources for the administrative hearings unit. Based on the enrollment for these transitional programs anticipated by the Family Support Division, DLS will require one (1) additional FTE hearing officer to implement this legislation. This result is reached by taking FSD’s enrollment estimate (5099 new cases), assuming ten percent of those cases will require an administrative hearing at some point (510 additional administrative hearings), and comparing that to a hearing officer’s standard annual caseload (544 hearings each year).

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DSS, DLS. Oversight notes that in the previous version, DSS presented the DLS FTE costs as 50% GR; 50% Federal. DSS now states this cost would be claimable for reimbursement, but if the waivers needed are not approved, then the costs for implementing this piece would be 100% GR. Therefore, Oversight will reflect this expenditure as follows:

FY24: $108,324 ($54,162 to $108,324 GR; $0 to $54,162 Federal)
FY25: $127,386 ($63,693 to $127,386 GR; $0 to $63,693 Federal)
FY26: $128,672 ($64,336 to $128,672 GR; $0 to $64,336 Federal)
FY28: $131,295 ($65,648 to $131,295 GR; $0 to $65,648 Federal)

In response to a previous version, officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state updates to the Family Assistance Management Information Systems (FAMIS) would be required for this section.

To include transitional benefits for the SNAP program would involve changes to the core eligibility determination process and also involve changes to the payroll process. The system needs to change the way case closings are handled today and this not only impacts the benefits processing modules, but also the downstream functionalities like Forms & Notices processes currently in place. Significant income eligibility determination changes are needed to implement the requirement to "gradually step down the beneficiary's monthly benefit proportionate to the increase in the beneficiary's income".

The same change above for the TANF program is simpler than that for SNAP and involves changing the existing transitional benefits rules.

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 the necessary modifications for SNAP and TANF will require 583.20 hours for a cost of $55,404 (583.20 * $95), split 50% GR; 50 % Federal.

Therefore, the total FAMIS upgrades will cost $55,404 ($27,702 GR; $27,702 Federal) in FY 24 and ongoing costs are estimated at $11,358 ($5,679 GR; $5,679 Federal) in FY 25; $11,642 ($5,821 GR; $5,821 Federal) in FY 26 and $11,934 ($5,966 GR; $5,966 Federal) in FY 27.

Oversight does not have any information to the contrary. Because the current OA, ITSD/DSS estimate does not include the transitional housing benefit changes, Oversight will reflect the costs presented by OA, ITSD/DSS as the current estimate "..to (Unknown)" for OA, ITSD/DSS for fiscal note purposes.

<u>§208.053 - Changes to child care and transitional child care benefits as modified by House Amendment 1</u>

Officials from the **Department of Elementary and Secondary Education (DESE)** state the Child Care and Development Fund (CCDF) requires that families meet the eligibility requirements as stated in 45 CFR 98.21 in order to qualify to receive child care benefits. Implementation of this bill would conflict with these regulations and would therefore require the department to use other funds (e.g. general revenue) to pay for this child care subsidy benefit.

Based on the 2020 census:

- There are approximately 217,943 children between the ages of 0 to 2 years; 149,635 children ages 3 to 4 years; and 690,022 children ages 5 to 13 years in Missouri;
- 66% of MO children have all parents in the household that work meaning that there is a need for care.

The base rate for child care in MO is:

- Children ages 0 to 2 years = $31.42/day
- Children ages 3 to 4 years = $23.18/day
- Children ages 5 to 13 years = $18.89/day

Income eligibility for Transitional Child Care Level 1 (TCC1) shall be 151 percent of poverty but not to exceed 185 percent of poverty. The Applicant shall be responsible for paying the sliding fee to the provider. DESE shall fund 80 percent of the remaining state base rate.

Income eligibility for Transitional Child Care Level 2 (TCC2) shall be 186 percent of poverty but not to exceed 215 percent of poverty. The Applicant shall be responsible for paying the sliding fee to the provider. DESE shall fund 60 percent of the remaining state base rate.

Income eligibility for Transitional Child Care Level 3 (TCC3) shall be 216 percent of poverty but not to exceed 242 percent of poverty. The Applicant shall be responsible for paying the sliding fee to the provider. DESE shall fund 50 percent of the remaining state base rate.

Methodology:
The number of children within an age range (base rate x 23 days/month) x 12 months = 100% of cost. The portion of care provided at each level is a calculation based on:

TCC1
100% of cost x 66% need for care x 10% of population (based on poverty) of children in age range x 80% portion that the state covers for care = total cost to State of Missouri

TCC2
100% of cost x 66% need for care x 10% of population (based on poverty) of children in age range x 60% portion that the state covers for care = total cost to State of Missouri

TCC3
100% of cost x 66% need for care x 20% of population (based on poverty) of children in age

range x 50% portion that the state covers for care = total cost to State of Missouri

DESE assumes 1 in 3 children (33%) participate in a child care subsidy program.

DESE also assumes level 1 and 2 eligibility for program entry and level 3 to be reserved for gradual phase out of eligibility.

Due to the adjustment of the federal poverty level in each benefit level in House Amendment 1, in this version, the calculations were restructured to show the age of children in each benefit level, according to the new FPL guidelines.

Adjusted numbers as follows:

For the eighty percent (80%) state benefit level (Level 1):

- Infants and toddlers
  - 4,068 children x $9,100/year x .80 = $29,615,040
- Preschoolers
  - 2,793 children x $6,500/year x .80 = $14,523,600
- School Age
  - 12,885 children x $5,200/year x .80 = $53,601,600
- **Total cost for Level 1 is $97,740,240**

For the sixty percent (60%) state benefit level (Level 2):

- Infants/Toddlers
  - 3,797 children x $9,100/year x .60 = $20,731,620
- Preschoolers
  - 2,607 children x $6,500/year x .60 = $10,167,300
- School Age
  - 12,026 children x $5,200/year x .60 = $37,521,120
- **Total cost for Level 2 is $68,420,040**

For the new forty percent (40%) state benefit level (Level 3):

- Infants/Toddlers
  - 4,035 children x $9,100/year x .40 = $14,687,400; (reduced count for gradual phase out at 10% of total) = $1,468,740
- Preschoolers
  - 2,771 children x $6,500/year x .40 = $7,204,600; (reduced count for gradual phase out at 10% of total) = $720,460
- School Age
  - 12,774 children x $5,200/year x .40 = $26,569,920; (reduced count for gradual phase out at 10% of total) = $2,656,992
- **Total cost for Level 3 is $4,846,192**

Entire transitional program cost = $171,006,472

This estimate does not include any estimates for children being served by subsidy currently. This cost would be an additional cost to the current subsidy system.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DESE for the child care transitional benefits program.

DESE states adding another level of transition could more than double the number of children being served. In order to manage the increase in applications, payments and reporting for services, the Office of Childhood would need a minimum of 18 additional staff:

- Ten (10) additional Benefit Program Technicians.
- Two (2) Administrative Support Assistants.
- Three (3) Program Coordinators.
- Two (2) Program Managers.
- One (1) data collection staff person to manage the increase in applications, payments, and reporting for services.

Oversight notes that in a previous version, **DESE** stated there would be ongoing costs each year in order to provide the additional services. Depending on the number of families applying for the expanded subsidy services, DESE assumed there will be variations in the number served and thus the total costs of the program. The department would need at least three (3) years of data to be able to document a baseline and ongoing costs for this expanded program.

While this proposal expands access to the child care subsidy program, the lack of workforce in the child care industry has short- and long-term implications on the ability for the department to implement the increased access. Without adequate child care facility staff to work in child care programs, there will likely be waiting lists for families to receive care.

In 2022, DESE requested a waiver from ACF to be able to use CCDF dollars to pay for tier of transitional benefits but was denied. Because the department would not be able to use CCDF funding, the money for this level of transition would need to be funded through other funds (e.g. general revenue).

Oversight does not have information to the contrary. DESE submitted a range of FTE in their fiscal impact:

- 8 - 10 additional Benefit Program Technicians.
- 1 - 2 Administrative Support Assistants.
- 2 - 3 Program Coordinators.
- 1 - 2 Program Managers.
- 1 data collection staff person to manage the increase in applications, payments, and reporting for services.

Oversight notes there may be a shortfall of supply in relation to the demand of child care services created by this proposal, thereby limiting the overall size of the program. Therefore, Oversight will reflect the low end of the range for staffing estimates as provided by DESE as: “Could exceed ($1,206,825)” in FY 2024; “Could exceed ($1,092,127)” in FY 2025; “Could exceed ($1,109,131)” in FY 2026.

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DESE** state updates to the Child Care Data System (CCDS) would be required.

This bill proposal includes childcare subsidy and substantial changes to be known as "Low-Wage Trap Elimination Act" and as "Hand-Up Program", and transitional childcare benefit calculations and allowances, as well as the "state base rate". The Office of Childhood, which is part of DESE, would be affected.

OA, ITSD/DESE makes the following assumptions:

- The Office of Childhood has the jurisdiction and ability to calculate childcare subsidy benefits and rates.

- The systems and applications needed to allow the Office of Childhood to make such benefits possible, are in place and in working order according to laws and governance.

- The Missouri Department of Revenue and Missouri Department of Social Services are able to meet their requirements in the proposal, not limited to the sharing of necessary data, securely and timely. As many of the Office of Childhood systems and applications are in the process of being stood-up, it is unknown where this functionality and/or changes fit best.

- One of the many applications/systems being built for the Office of Childhood, covers the basis of the childcare subsidy program including qualifications, award, and redeterminations. These programs would be new to that application/system, currently in the vendor procurement process - Child Care Data System (CCDS).

OA, ITSD/DESE assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for CCDS are estimated at $95/hour. It is assumed the necessary modifications will require 1,188 hours for a cost of $112,860 (1,188 * $95) in FY 2024. Ongoing support is estimated at $23,136 in FY 2025; $23,714 in FY 2026 and $24,915 in FY 2028.

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

Officials from the Office of Administration - Budget & Planning (B&P) state the provisions of this section has no direct impact on B&P or on general and total state revenues. The B&P states it will not impact the calculation pursuant to Article X, Section 18(e).

§208.066 – Combination of application for SNAP, TANF, Child Care and MO HealthNet

Officials from the **DSS, Family Support Division (FSD)** state §208.066 adds a requirement that DSS limit any application for the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families program (TANF), the child care assistance program, or MO HealthNet to a one-page form that is easily accessible on the DSS website. In addition, DSS is required to cooperate with the Department of Revenue (DOR) to allow any renewal for SNAP, TANF, child care assistance, or MO HealthNet to be attached to the Missouri state tax form.

FSD administers eligibility for SNAP, TANF, Child Care Subsidy, and MO HealthNet programs. Department of Elementary and Secondary Education (DESE) administers the development of applications for the Child Care Subsidy program. FSD develops applications for the remaining programs.

FSD could create a one-page applications for the SNAP and TANF programs. These forms would functionally preserve an application filing date only, as a one-page form would not capture all of the information federally required to determine eligibility for these programs. FSD would need to follow up with each applicant to obtain the required information to determine eligibility, which could require additional staffing. If FSD is unable to get in contact with the applicant to obtain the necessary information to process the application within the established processing deadline of 30 days, the application will be denied and the individual would have to reapply for benefits.

The federal Medicaid program has developed a single streamlined application that states are required to utilize or, subject to federal approval per 42 CFR 435.907, states may develop an alternative application that require CMS approval. The current applications for MO HealthNet programs are CMS approved alternative applications that exceed one page in length. Based on the approval process for the current applications, FSD assumes CMS would not provide approval for a one-page application for MO HealthNet programs.

DSS has consulted with a contractor to implement a combined simplified application process in Missouri for the programs identified in this legislation. This application is subject to approval and has not been approved by federal partners at this time. Upon implementation, this application will be available on the DSS website and if the provisions of this legislation are enacted, DSS will make this available for posting on the DOR website.

Currently, DSS is in the process of implementing SNAP into the Missouri Eligibility Determination and Enrollment System (MEDES) and upon implementation, there will be a joint SNAP and MO HealthNet streamlined application available on the citizen portal.

FSD will continue to make SNAP, TANF, Child Care Subsidy, and MO HealthNet applications available on the DSS website, as required in this legislation.

42 CFR 435.916 requires that FSD must send a pre-populated review form to all MAGI based MO HealthNet households that contains all eligibility information regarding the recipients that is known to FSD. Therefore, based on federal guidelines, MAGI based MO HealthNet review forms could not be made available on either DSS or DOR websites as required in this legislation due to the confidential information included in each pre-populated form. In addition, 42 CFR 435.916 requires that FSD must make a redetermination of eligibility without requiring information from the individual if able to do so based on available information to the agency. Before sending the pre-populated review forms to MO HealthNet participants, FSD accesses electronic data sources to attempt to complete the annual review from available information. If FSD is able to make a redetermination of eligibility based on available information, the eligibility determination is completed without requiring information from the participant and the pre-populated form is not sent out to participants. However, DSS could make a fillable MAGI review form available on the DSS and DOR websites for participants.

The Child Care Subsidy program does not allow for a periodic review of eligibility to be completed to continue eligibility. Participants **must** complete a new application at the end of the certification period.

SNAP periodic eligibility reviews are completed through a mid-certification review in the middle of the certification period. Mid-certification reviews are completed at 6 months for non-elderly and disabled households with a 12 month certification period and at 12 months for elderly and disabled households with a 24 month certification period.

TANF periodic eligibility review forms are completed once every 12 months, based on the most recent approval date.

DSS will coordinate with DOR to allow any renewal for SNAP, TANF and MO HealthNet to be attached to the Missouri state tax form. Based on discussions with DOR, FSD assumes that this legislation would apply only to mail in tax forms. FSD renewal forms will continue to be available on the DSS website for individuals to print and submit in paper form to the DOR. FSD will coordinate with DOR to receive any renewal forms that are submitted with the Missouri tax form.

Although much of the same information is collected for each program, periodic reviews for each program are based on the most recent approval date for the individual program type and are not always due at the same time. This legislation allows individuals to submit a renewal form if it is due at the same time as their state tax return. However, any individual could submit a renewal form through the process established in this legislation. Therefore, FSD may receive an additional influx of renewal forms when the periodic eligibility review form is not due. Any additional review forms received outside of the periodic eligibility review would require review of the data for any programs the individual participates in. For the periodic review forms that are due when submitted with the state tax form, DSS assumes the processing time allotted to DSS employees will lessen due to the time it will take for DOR to receive the forms, identify them, and forward them to DSS. FSD will need additional FTE to process additional review forms received with less time to complete the eligibility determination.

It is unknown how many SNAP, TANF, and MO HealthNet participants may submit the periodic eligibility review form with their Missouri state tax form. According to DOR, for the tax filing year 2021, 13% of Missouri tax filers submitted their returns via mail. For the purposes of this fiscal note, FSD applied this percentage to the total current Missouri SNAP, TANF, and Medicaid caseload as of October 2022 of 856,744 cases and estimated approximately 111,377 (856,744 * 0.13 = 111,376.72, rounded up) of the Missouri public assistance cases file tax returns by mail. FSD calculated the monthly average of 9,281 (111,377/12 = 9,281.4166, rounded down). FSD assumes individuals will submit these forms from January through April 15th of each year. Therefore, it is estimated that 0 to 32,484 (9,281 * 3.5 = 32,483.5, rounded up) may submit their periodic eligibility review form with their taxes.

For the up to 32,484 cases identified, FSD estimates it will take an average of 30 minutes per case, for a total of 16,242 hours (30 minutes * 32,484 cases = 974,520 minutes/60 minutes = 16,242 hours). Based on 2,080 working hours annually, **8 Benefit Program Technicians** (16,242/2,080 = 7.8, rounded up), **1 Benefit Program Supervisor** (8/10 = 0.08, rounded up), and **1 Program Coordinator** (1/10 = 0.1, rounded up), for a total of **up to 10 FTE** (8 + 1 + 1 =10) needed to implement the provisions of this legislation.

FSD assumes a one-time mailing cost will be incurred for a notice of changes to SNAP, TANF, and MO HealthNet programs as outlined in this response. **The mailing costs for a one-time notice for each case at the bulk mailing rate of $0.52 would be $445,507** (856,744 * $0.52 = $445,506.88, rounded up).

FSD estimates the fiscal impact will be the one-time mailing costs of $445,507 in SFY 2024 and up to 10 FTE if the provisions of this legislation are enacted.

Oversight does not have information to the contrary. Oversight notes FSD must also meet the federal regulations regarding timeliness of application and renewal processing under 7 CFR 273.2(g) for normal SNAP application/renewal processing; 7 CFR 273.2(i) for expedited SNAP application processing; and 45 CFR 201.10(a)(3) for TANF application/renewal processing. Therefore, Oversight will reflect the estimates as provided by DSS/FSD. Given the potential increased submission of applications and renewals over a brief time and the federal rules regarding timely processing, Oversight will reflect the FTE estimates and one-time mailing costs as provided by DSS/FSD.

In response to a previous version, officials from **OA, ITSD/DSS** state updates to the FAMIS application would be required for this section.

There is no change in FAMIS for the one page initial application on the DSS website. However, there is no interface in place currently to allow a review form to be submitted with a tax return. FAMIS might have to factor in time for system changes to build a data exchange functionality with the Department of Revenue (or) this must be linked with the above one page initial application.

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 the necessary modifications for this section will require 436.32 hours for a cost of $41,450 (436.32 * $95), split 50% GR; 50 % Federal.

Therefore, the FAMIS upgrades for this section will cost $41,450 ($20,725 GR; $20,725 Federal) in FY 24 and ongoing costs are estimated at $8,496 ($4,248 GR; $4,248) in FY 25; $8,710 ($4,355 GR; $4,355 Federal) in FY 26 and $9,150 ($4,575 GR; $4,575 Federal) in FY 28.

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

Officials from the **Department of Revenue (DOR)** state this proposal requires the Department of Social Services (DSS) to make the initial application that clients complete to receive benefits under the SNAP, TANF, child care assistance or medical assistance or health insurance programs a one-page application form. This provision will not fiscally impact the Department of Revenue (DOR) and they deferred to DSS to determine if this one page form is possible.

This proposal in Section 208.066.2 requires DSS to also make the periodic eligibility review forms for those same programs a one page form. Additionally, these one page periodic eligibility review forms are to be put on DOR's website. Adding these forms to their website will not have a fiscal impact. DOR defers to DSS to determine if this one page form is possible.

This proposal also allows the DSS clients receiving benefits under the previously listed programs to mail their periodic eligibility review forms as an attachment to their Missouri state tax form. In discussions with DSS, DOR was made aware that the periodic eligibility review forms are currently multiple pages each and that several attachments are required to be provided to DSS by the clients. Much of the information on the forms is required by the federal government. DOR notes that even if DSS makes these a one page review form, the attachments may still be required to be submitted. For purposes of the fiscal note, DOR assumes 3 pages for each form received (1 application page + 2 supporting document pages).

These forms are due annually when a client needs to renew their benefits as well as throughout the year if the clients have had a change in their circumstances. Per information on the DSS website, the SNAP renewal must be done 6 months after initial applications and annually thereafter, generating additional potential forms.

DSS informed DOR they have approximately 856,744 unique cases that receive benefits from DSS. Many of those cases have participants that receive benefits from more than one DSS program (such as SNAP and MO HealthNet). Therefore DOR has the potential of receiving more than the 856,744 forms annually. DOR estimates that up to 5,140,464 pages of forms could potentially be sent to DOR. (856,744 clients * 3 supporting documents per renewal * 2 programs per client)

This proposal says DSS clients can attach their review form(s) to their Missouri state individual income tax return. This proposal now requires that the DSS participants will only be allowed to submit their review forms with their individual income tax return. Should they be allowed to attach to any of their other forms this will result in additional costs not identified in this fiscal note.

This proposal implies that DOR would receive these review statements on behalf of clients and then give them to DSS. However, due to the rules established by the IRS regarding taxpayer private information and due to the confidentiality laws under §32.057, any documents received with a tax return are considered confidential and DOR is prohibited from sharing. It is unclear how DOR could provide these review documents to DSS or what DOR is to do with them.

Regardless of the confidentiality question, DOR will provide the fiscal impact of processing and providing these forms to DSS, for determining the fiscal impact only.

DOR receives over 3.2 million individual income tax returns annually. DOR notes that approximately 90% of those individual income tax returns are received electronically or on a scannable paper return. The Department assumes it would need to convert the DSS forms to an electronic format so DOR can continue to receive documents electronically. This is estimated to cost $10,000 per form type.

Additionally, DOR will need to notify electronic filing vendors of the need to upgrade their systems to allow for the DSS forms and attachments to be submitted. Plus DOR will need to upgrade the computer system and scanners to read these new forms. DOR’s costs are estimated at $100,000 for all the upgrades.

If a customer were to attach the DSS document to an electronically filed tax return, DOR would be required to locate and print the documents out of their electronic filing system. The search would need to be done manually by a DOR employee who would have to review each page of the return in the system, looking for the DSS attachments. Then DOR would need to manually print off the DSS documents to be transferred to DSS. For customers who file their tax return on paper, DOR anticipates that processing staff will pull these documents out as they open and sort the mail. This will require an increase in DOR’s average temporary staffing needs as the mail opening process will be slowed down to look through each document to discover the DSS forms and separate them for transfer to DSS.

During the busy tax filing season of February to May, DOR estimates needing 96 additional temporary staff ($12,750) to locate and print these documents. This would increase DOR's annual salary costs for temps by $1,224,000 annually. DOR currently has 2 shifts of temporary staff and assume may potentially be able to run a third shift which would allow DOR to need equipment for 24 which includes tables ($250), chairs ($719) and computers ($1,531).

DOR notes that annually they bring on a large group of temporary staff to help process the 3.2 million returns received from January 1st to April 15th. DOR is currently budgeted for 65 daytime and 50 night time temporary staff (115) but only have 74 positions filled this year. Like most state agencies, DOR has trouble filling not only their full-time employee positions but their temporary staff positions. If DOR is unable to fill their current positions this will strain their already burdened staff.

DOR notes that should taxpayers stop electronically filing their tax return and send them by paper in order to file their DSS forms, it would transfer the temporary staff to handle the load. DOR will need another 5 Associate Customer Service Representatives ($31,200) to supervise and assist the temporary employees and to handle the volume of returns once the temporary employees leave. Due to the staffing shortages throughout the DOR, they believe they can move equipment around and provide for these staff members.

Additionally, DOR will need printers, paper and ink to print the documents for DSS. DOR contracts out for printers and ink. DOR is in the process of renegotiating current contracts. DOR estimates the need for several more printers to handle this proposal. Additionally, DOR will need the paper to print all these documents. DOR purchases them at $41 per case based on the price of a truckload. They buy paper 840 cases at a time. Therefore this will have an estimated impact of $34,440 (840 cases * $41 per case).

DOR notes that while this proposal appears to help the clients of DSS to save postage with mailing all their state owed documents to one place, it has the potential to do more harm to the state and clients. Allowing these forms to go to DOR before DSS, will not only increase DOR's processing times for individual income tax returns, but it will slow down their issuing of refunds. Sending the documents to DOR first, may potentially result in the forms not being received by DSS prior to the recipient's benefits expiring, which would negatively impact the clients. Additionally, when the processing of the returns is slowed down, the refunds are slowed down and the potential for increased interest payments is greater. All taxpayers could be negatively impacted by delayed refund payments.

This proposal has the potential to increase confusion as to where a DSS client's forms are. Clients may call DOR's call center looking for their forms, when they have been transferred to DSS. This could impact DOR's ability to help taxpayers, if this generates additional calls and wait times. Additionally, should DOR be required to mail copies of the periodic review forms to taxpayers who request them from their call center staff, then they will have mailing costs. Those costs are unknown at this time.

Based on current hiring trends DOR anticipates difficulties in hiring the number of temporary staff needed to perform these functions. If the staffing cannot be hired, then all return processing will slow down, which will delay refund processing and increase the interest payments made.

Oversight does not have information to the contrary. Oversight assumes delayed refund processing could result in a minimum of $100,000 in interest payments. Therefore, Oversight will reflect the estimates as provided by the DOR with an additional "Unknown to could exceed $100,000" annually in expenditures for this section of the proposal.

§208.247 Changes to SNAP eligibility for controlled substance felonies

Officials from **DSS, FSD** state 21 U.S.C. Section 862a(d) provides states the option to exempt any or all individuals from prohibition of SNAP eligibility required under 21 U.S.C. Section 862a. Currently, Missouri exercises the option to exempt some individuals allowed under 21 U.S.C. Section 862a(d) in 208.247 RSMo, which provides exemptions for individuals who have been convicted of a felony for drug possession or drug use if they meet certain exemption requirements. Missouri could exercise the option to exempt individuals from prohibition of SNAP eligibility based on the provisions of this legislation for those individuals convicted of any drug related felony.

The number of individuals who would be eligible for SNAP under the provisions of this legislation is unknown. Therefore, for the purposes of this fiscal note, FSD estimates an increase in SNAP benefits in the following manner:

In SFY 22, there were 163 individuals who applied for and were found ineligible for SNAP due to a drug-related felony. As of November 30, 2022, there was a total of 1,685 permanently disqualified due to a drug related felony, who are a member of a household actively receiving SNAP benefits.

In SFY 22, the average monthly SNAP benefit was $176 per person. Therefore, the FSD estimates an annual increase in SNAP benefits of $0 to $3,902,976 [1,848 (1,685 + 163) * $176 * 12 = $3,902,976].

There will be increased EBT costs to process the additional SNAP payments to recipients. The cost of EBT services to process each new SNAP case is $0.43 per month. Since the 1,685 individuals permanently disqualified are members of a household actively receiving SNAP benefits, there would not be additional costs for EBT services for these individuals. The cost would only apply to the 163 individuals who applied and were found ineligible. Therefore, the additional cost for EBT services would be $0 to $841 (163 * $0.43 monthly * 12 months = $841.08, rounded down). At this time, the additional cost for EBT services to process each new SNAP case can be absorbed in the FSD EBT Core Appropriation.

FSD assumes existing staff will be able to complete the necessary work to implement the provisions of the section.

FSD defers to OA- ITSD for the system changes necessary to implement the provisions of this section.

Because SNAP benefits are 100% federally appropriated and funded and the cost for EBT services can be absorbed into the current appropriation, FSD will not experience a fiscal impact due to any additional SNAP benefits that may result from this legislation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS, FSD for this section.

In response to a previous version, officials from **OA, ITSD/DSS** state updates to the FAMIS application would be required for this section.

FAMIS has controlled substance functionality in place for the TANF program and the same infrastructure could be developed for the SNAP Program. This again is likely a major change in FAMIS. Though TANF has some of the functionality, what is being proposed now for SNAP has considerably more programs to track, more court actions to consider, more treatment options, and more recipient tracking.

Considering the level of changes involved, OA, ITSD/DSS recommends considering this change in the new system when FAMIS SNAP transitions over to MEDES, but this estimate will reflect updating FAMIS.

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 the necessary modifications for this section will require 734.40 hours for a cost of $69,768 (734.40 * $95), split 50% GR; 50 % Federal.

Therefore, the FAMIS upgrades for this section will cost $69,768 ($34,884 GR; $34,884 Federal) in FY 24 and ongoing costs are estimated at $14,302 ($7,151 GR; $7,151) in FY 25; $14,660 ($7,330 GR; $7,330 Federal) in FY 26 and $15,026 ($7,513 GR; $7,513 Federal) in FY 28.

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

Officials from the **Office of Administration - Budget & Planning (B&P)** state the provisions of this section has no direct impact on B&P or on general and total state revenues. The B&P states it will not impact the calculation pursuant to Article X, Section 18(e).

<u>§§570.400 and 570.404 Changes to unlawful receipt/transfer of public assistance benefits</u>

Officials from the **Department of Corrections (DOC)** state this proposal modifies provisions relating to public assistance. This bill modifies provisions to the unlawful receipt and transfer of public assistance benefits by means of sale for consideration.

The unlawful receipt of public assistance benefits is a class A misdemeanor. It is a class E felony if the face value of the benefits is $750 or more or if it is the second offense of receiving benefits of less than $750. Two or more violations is a class D felony.

The unlawful transfer of public assistance benefits is a class A misdemeanor. It is a class E felony if the face value of the benefits is $750 or more. Two or more violations is a class D felony. Any person found guilty of felony unlawful transfer of public assistance shall serve no less than 120 days in the Department of Corrections.

The bill intends to create two class E and two class D felonies.

Operational Impact

The misdemeanor offenses do not fall under the purview of DOC.

For 2 new nonviolent class E felonies, the Department estimates two people could be sentenced to prison and four to probation. The average sentence for a nonviolent class E felony offense is 3.4 years of which, 2.1 years could be served in prison with 1.4 years to first release. The remaining 1.3 years could be on parole. Probation sentences could be 3 years.

The cumulative impact on the department is estimated to be 4 additional offenders in prison and 14 additional offenders on field supervision by FY 2026.

Change in prison admissions and probation openings with legislation-2 class E felonies (nonviolent)

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	2	2	2	2	2	2	2	2	2	2
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	4	4	4	4	4	4	4	4	4	4
Change (After Legislation - Current Law)										
Admissions	2	2	2	2	2	2	2	2	2	2
Probations	4	4	4	4	4	4	4	4	4	4
Cumulative Populations										
Prison	2	4	4	4	4	4	4	4	4	4
Parole	0	0	2	2	2	2	2	2	2	2
Probation	4	8	12	12	12	12	12	12	12	12
Impact										
Prison Population	2	4	4	4	4	4	4	4	4	4
Field Population	4	8	14	14	14	14	14	14	14	14
Population Change	6	12	18	18	18	18	18	18	18	18

For 2 new nonviolent class D felonies, the Department estimates six people could be sentenced to prison and ten to probation. The average sentence for a nonviolent class D felony offense is 5 years of which, 2.8 years could be served in prison with 1.7 years to first release. The remaining 2.2 years could be on parole. Probation sentences could be 3 years.

The cumulative impact on the department is estimated to be 16 additional offenders in prison and 44 additional offenders on field supervision by FY 2028.

Change in prison admissions and probation openings with legislation-2 class D felonies (nonviolent)

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	10	10	10	10	10	10	10	10	10	10
Change (After Legislation - Current Law)										
Admissions	6	6	6	6	6	6	6	6	6	6
Probations	10	10	10	10	10	10	10	10	10	10
Cumulative Populations										
Prison	6	12	16	16	16	16	16	16	16	16
Parole	0	0	2	8	14	14	14	14	14	14
Probation	10	20	30	30	30	30	30	30	30	30
Impact										
Prison Population	6	12	16	16	16	16	16	16	16	16
Field Population	10	20	32	38	44	44	44	44	44	44
Population Change	16	32	48	54	60	60	60	60	60	60

The combined cumulative impact is estimated to be 20 additional offenders in prison and 58 additional offenders on field supervision by FY 2028, with a net population change of 78 new offenders.

Change in prison admissions and probation openings with legislation

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	8	8	8	8	8	8	8	8	8	8
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	14	14	14	14	14	14	14	14	14	14
Change (After Legislation - Current Law)										
Admissions	8	8	8	8	8	8	8	8	8	8
Probations	14	14	14	14	14	14	14	14	14	14
Cumulative Populations										
Prison	8	16	20	20	20	20	20	20	20	20
Parole	0	0	4	10	16	16	16	16	16	16
Probation	14	28	42	42	42	42	42	42	42	42
Impact										
Prison Population	8	16	20	20	20	20	20	20	20	20
Field Population	14	28	46	52	58	58	58	58	58	58
Population Change	22	44	66	72	78	78	78	78	78	78

	# to prison	Cost per year	Total Costs for **prison**	Change in probation & parole officers	Total cost for **probation and parole**	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	8	($9,499)	(63,327)	0	$0	14	(63,327)
Year 2	16	($9,499)	($155,024)	0	$0	28	($155,024)
Year 3	20	($9,499)	($197,655)	0	$0	46	($197,655)
Year 4	20	($9,499)	($201,608)	1	($87,582)	52	($289,190)
Year 5	20	($9,499)	($205,640)	1	($79,747)	58	($285,388)
Year 6	20	($9,499)	($209,753)	1	($80,603)	58	($290,357)
Year 7	20	($9,499)	($213,948)	1	($81,467)	58	($295,416)
Year 8	20	($9,499)	($218,227)	1	($82,344)	58	($300,571)
Year 9	20	($9,499)	($222,592)	1	($83,228)	58	($305,820)
Year 10	20	($9,499)	($227,044)	1	($84,124)	58	($311,168)

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is $26.024 per day or an annual cost of $9,499 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is $87.46 per day or an annual cost of $31,921 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DOC.

Officials from **DSS, FSD** state these sections are amended to include the sale for consideration in the definition of unlawfully receiving or transferring public assistance benefits or EBT cards.

The provisions of this legislation does not alter the eligibility criteria for any programs FSD administers. If the provisions of this legislation are enacted, FSD will cooperate with law enforcement.

Therefore, there is no fiscal impact to FSD.

Officials from **DSS, DLS** state changes for this section are not anticipated to result in a fiscal impact to DLS. The investigations unit does investigate welfare fraud-related activities and refers appropriate cases for prosecution, but the actions criminalized by these provisions are already prosecutable under other statutory provisions. Therefore, no additional resources would be required due to these changes.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS, FSD or DSS, DLS for this section.

Officials from the **Office of Administration - Budget & Planning (B&P)** state the provisions of this section has no direct impact on B&P or on general and total state revenues. The B&P states it will not impact the calculation pursuant to Article X, Section 18(e).

<u>House Amendment 2 - Provisions relating to employment for persons with disabilities and public assistance</u>

<u>§37.980 – Missouri as a Model Employer</u>

Officials from the **Office of Administration (OA)** state this section of the proposal requires the Office of Administration to submit a report to the general assembly describing the progress made by the state with respect to the directives issued as part of the "Missouri as a Model Employer" initiative described in executive order 19-16. Office of Administration, Division of Personnel currently participates and offers support for Missouri as a Model Employer initiative. The survey to collect data on the number of individuals with disabilities working for the state is anonymous. In order to generate a report as outlined in this proposed bill it would take a minimum of an additional 40 hours of staff member time to complete this work at the average rate of $30.40 along with the added cost to update MoCareers, the State's centralized application platform at $50,000.00, with additional staff time of ten hours at the rate of $36.21 to implement the updates to the application platform. The projected cost for this work is **$51,578**.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect to cost estimated provided by OA to the General Revenue Fund.

Officials from the **Office of Administration - Budget & Planning (B&P)** state the provisions of this section has no direct impact on B&P or on general and total state revenues. The B&P states it will not impact the calculation pursuant to Article X, Section 18(e).

<u>§208.146 – Changes to the Ticket to Work Health Assurance program</u>

Officials from the **Department of Social Services (DSS), Family Support Division (FSD)** state this proposal changes the income disregards and countable assets of the current Ticket to Work Health Assurance program. The act removed the current gross and net income maximums and changes the total income test after deductions to 250% of the federal poverty level (FPL). The first $50,000 per year of the earned income of the disabled worker's spouse would be included in the deduction to income prior to the 250% FPL test in addition to these current deductions; a twenty dollar standard deduction, health insurance premiums, a seventy-five dollar a month standard deduction for optical and dental insurance when the premiums are less than seventy-five dollars, all supplemental security income and first fifty dollars of social security disability income, and a standard impairment-related employment deduction of one-half of the disabled worker's earned income. The act also excludes all retirement accounts in consideration of assets and keeps the current asset limit of $5,301.85 for an individual and $10,603.70 for a couple. Resources exempted from inclusion in the asset limit are: medical savings accounts valued less than $5,000 per year; independent living account annual deposits and earnings under $5,000 per year; and retirement accounts.

FSD determined there would be 13,628 individuals eligible for this program already receiving some type of MO HealthNet benefits. FSD determined these individuals by identifying the current population who meet the new eligibility parameters described in the proposal. This population includes the 2,144 current Ticket to Work Health Assurance program eligibles, 10,966 individuals receiving other MO HealthNet benefits and 507 receiving Qualified Medicaid Beneficiary/ Specified Low-Income Medicare Beneficiary (QMB/SLMB) only. Because these

QMB/SLMB only cases do not currently receive full MO HealthNet benefits, any new cases resulting from that population are included in the calculation of new eligibles.

FSD determined there will be 523 new MO HealthNet cases eligible for the MO HealthNet TWHA program if the income and countable asset eligibility are changed as proposed.

FSD arrived at 523 new cases in this manner:

The data collected to determine the number of individuals assumed to be eligible include all individuals age 16 to 64, employed with taxes withheld from their income, and income after deductions under 250% of Federal Poverty Level (FPL). The income was determined by deducting the first $50,000 of the disabled worker's spouse's income, all SSI payments and all of any other individual's income in the household. FSD was not able to also include the other applicable deductions in the calculation due to system limitations.

In FY 2022, FSD closed or rejected (due to excess resources over $5,301.85 for an individual and $10,603.70 for a couple, including retirement funds as countable assets) 101 MO HealthNet for Aged, Blind and Disabled (MHABD) applications of employed individuals, age 16 to 64, claiming a disability. Of those, 16 individuals had income after deductions (using the parameters explained above) of less than 250% FPL. Fifteen (15) of these individuals would be eligible for the TWHA program at a non-premium level while one (1) would be eligible at a premium level.

Total New Cases from MHABD Rejections:
15 (non-premium)
1 (premium)
16 Subtotal

FSD would also see an increase in eligibles from the QMB/SLMB population due to the change in countable assets. In FY 2022, there was an average of 2,315 QMB persons. Of these, 178 individuals would be eligible for the TWHA program. 169 of these individuals would be eligible at a non-premium level, while 9 would be eligible at a premium level.

Total New Cases from QMB:
169 (non-premium)
9 (premium)
178 Total

In FY 2022, there was an average of 5,408 SLMB persons who would meet the current resource limits if the changes in countable assets are implemented. Of these, 329 would be eligible for the TWHA program. 136 of these individuals would be eligible at a non-premium level.

Total New Cases from SLMB:
193 (non-premium)
136 (premium)

329 Total

Total New Cases from QMB and SLMB:
178 (QMB)
329 (SLMB)
507 New Cases Total

FSD anticipates a potential increase in applications as a result of the change in types of countable resources and changes in income calculations. These applications would come from a previously unknown population who currently choose not to apply due to the current countable resource inclusions and/or income guidelines.

FSD previously reported the number of Missouri individuals age 19 to 64, who are uninsured/not on MHN, who claim a health problem limiting work, who are employed, have income between 101% - 200% FPL, but are not married. According to the most recent U.S. Census Bureau data, there are zero individuals in this population.

Total New MO HealthNet Cases:
16 (MHABD rejections/closures)
178 (QMB)
329 (SLMB)
523 New Cases Total

Under Amendment 2, Missouri Constitution Article IV, Section 36(c), effective July 1, 2021, DSS extended MO HealthNet coverage to persons age 19-64 with income under 138% of the federal poverty level, known as the Adult Expansion Group (AEG). FSD assumes all new individuals eligible for this program are ineligible for AEG due to receipt of Medicare, SSI, or income greater than 138% of the federal poverty level as the deductions for the Ticket to Work Health Assurance Program outlined in the provisions of this legislation are not allowable in AEG eligibility guidelines.

FSD assumes existing staff will be able to complete necessary additional work as a result of this proposal.

FSD assumes the Office of Administration (OA), Information Technology Services Division (ITSD)/DSS will include the Family Assistance Management Information System (FAMIS) programming costs for the system changes as well as the system-generated notice needed to implement provisions of this bill in their response.

Therefore, there is no fiscal impact to the Family Support Division if the provisions in 208.146 are enacted.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for FSD for this section.

Officials from the **DSS, MO HealthNet Division (MHD)** state FSD provided MHD with data on eligibles who would qualify for the TWHA program provisions under this bill. Out of these eligibles, there are two groups: Those who currently receive MO HealthNet benefits under a different eligibility category; and those who are not currently receiving MO HealthNet benefits and would be new eligibles.

There are 13,617 eligibles who meet eligibility requirements to receive MO HealthNet benefits that also meet the new eligibility parameters described above. Out of the 13,617 eligibles, 2,144 are currently in the TWHA program. That leaves 11,473 (13,617 – 2,144) eligibles who could switch to this new program. Out of the 11,473 eligibles, there are 9,579 that would not switch (i.e. no regular source of earned income, already receive full medical coverage, etc.). In addition, there are 178 individuals that currently receive full MO HealthNet benefits as dual eligibles (QMB only) that would not switch. That leaves **1,716** (11,473 – 9,579 – 178) eligibles that could switch.

Out of the 1,716 eligibles, 498 qualify under the "non-premium" will likely enroll in the modified Workers with Disabilities program because they don't currently meet spenddown; 330 non-premium will be added because they are only receiving limited medical benefits under Medicare now (SLMB and (Qualifying Individuals (QI) only); and 891 (356 non-premium and 535 premium) who currently meet spenddown. MHD assumes all individuals who currently meet spenddown that qualify for the non-premium program (0-100%) would switch over to avoid paying spenddown. MHD further assumes those that currently meet spenddown and qualify for the premium program would likely switch because paying the annual premium (4% to 6% of income) would be more affordable than meeting spenddown. However, the 891 individuals who meet spenddown receive full Medicaid coverage now. **Therefore, the only costs MHD includes in this estimate for this group are their spenddown amounts as MO HealthNet would now cover the costs of these services in lieu of the individual.**

FSD also identified 723 (488 non-premium and 235 premium) newly eligible individuals that are not receiving MO HealthNet benefits. Of those 723 individuals, 529 have already been identified as SLMB and QI individuals and 178 are QMB individuals that currently receive full MO HealthNet benefits as dual eligibles that wouldn't switch, which leaves 16 individuals that are not receiving MO HealthNet benefits. Due to this legislation, there are also 827 (437 non-premium and 390 premium) participants that will switch because they don't meet the spenddown now, or will add the TWHA program because they are getting limited Medicare now. This brings a grand total of 843 [452 = (15 + 437) non-premium, and 391 = (1 + 390) premium] participants that could be added.

An annual cost per person was calculated for the premium for personal care services ($959) and nonemergency medical transportation (NEMT) ($296) using FY 22 TWHA expenditures. Also, an annual cost per person was calculated for the non-premium for personal care services ($995) eligibles using FY 22 TWHA expenditures.

The cost for new premium eligibles is $603,831 [(personal care plus NEMT average cost) * 481 possible premium participants added].

There are 438 additional eligibles who would switch for a total cost of $1,921,639. The 97 premium eligibles would have to pay a premium. MHD calculated a total savings of $1,233,280 from premium payments and QI/SLMB savings. The total cost for the premium group would be **$2,490,618** (Cost for new premium eligibles + Spenddown eligibles – Premium collections – SLMB and QI savings).

	$603,831	Cost for new premium eligibles
+	$3,120,067	Spend Down eligibles from TWHA population
-	$788,050	Premium collections
-	$445,230	QI/SLMB savings
	$2,490,618	**Total cost for premium group**

The costs for new non-premium eligibles is $560,128 (average cost * 563 possible non-premium participants added). There are 356 spenddown eligibles who would switch for a total cost of $619,437. The total cost for non-premium eligibles is **$578,009** (Cost for new eligibles + Spenddown eligibles – SLMB and QI savings).

	$560,128	Cost for new non-premium eligibles
+	$619,436	Spend Down eligibles
-	$381,908	SLMB
-	$219,647	QI savings
	$578,009	**Total cost for non-premium group**

The total cost for the premium and non-premium groups is **$3,068,628 ($2,490,619 + $578,009)**. This estimate includes costs for services provided by DHSS. MHD assumed a portion of these costs would be funded through other funding sources. To calculate the FY 24 cost, it is assumed there would only be 10 months of expenditures.

The proposed legislation is only including services for Personal Care and NEMT. If the proposed legislation passes, a waiver would need to be required to only have these services be covered.

Also, an update to the MMIS system would be needed due to limiting these individuals to only include Personal Care and NEMT services. An estimated cost for this update would be $126,000.

For FY 24, MHD further assumed new eligibles would phase in, with 1/10 of the annual total adding to the program monthly. Beginning in FY 25, all eligibles are fully phased in.

For **new** non premium members, the annual total number of participants is estimated to be phased in at the end of ten months is 925. With phase in at 1/10 of this total per month (925 * 1/10 = 92.5 individuals), MHD expects a cumulative effect of all new non premium participants phased in (92.5 in month 1; 185 in month 2; etc.) by the close of FY 24 for a cost of $421,796.

Total cost for the non-premium group in FY 24 is estimated to be $762,951:

$516,197 = ($619,437/12) * 10 (Spend Down eligibles from TWHA)
+ $421,797 (New non premium eligibles)
- $175,041 (Cumulative Medicare premium payments for new non premium eligibles)
$762,951 Total costs for non-premium eligibles in FY 24

For **new** premium members, the annual total number of participants is estimated to be phased in at the end of ten month is 625. With phase in at 1/10 of this total per month (625 * 1/10 = 62.5 individuals), MHD expects a cumulative effect of all premium participants phased in (62.5 in month 1; 125 in month 2; etc.) by the close of FY 24 for a cost of $274,800.

$1,601,366 = ($1,921,639/12) * 10 (Spend Down eligibles from TWHA population)
+ $988,394 = ($1,186,073/12) * 10 (Other Spend Down eligibles)
- $252,434 = ($302,921/12) * 10 (Loss in premium collections from current eligibles)
+ $274,800 (Cumulative cost for new premium eligibles)
- $122,43 (Cumulative Medicare premium payments for new premium eligibles)
- $222,373 (Total estimated premium collections)
$2,267,314 Total costs for premium eligibles in FY 24

The total cost of the new program eligibles in FY 24 is estimated at $2,109,667 ($1,983,667 cost for new eligibles and $126,000 for MMIS updates).

A 5.47% inflation factor was used to calculate the total cost for FY 25 and beyond. Until the FY 24 budget is finalized, specific funding sources cannot be identified.

The total costs including MMIS changes for this legislation are:

FY 24 (10 months):	Total: $3,156,266 ($1,194,267 GR; $1,961,999 Federal)
FY 25:	Total: $3,234,334 ($1,234,050 GR; $2,000,283 Federal)
FY 26:	Total: $3,408,988 ($1,293,424 GR; $2,115,564 Federal)

Oversight does not have information to the contrary. However, Oversight notes the program expires on August 28, 2025. Therefore, Oversight will reflect the estimates as provided by MHD with only 2 months of program costs for FY 2026 and no program costs ongoing.

In response to a similar proposal (HCS HBs 971 & 970), DSS officials provided the response from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS**. Officials from OA, ITSD/DSS state the bill will require changes to eligibility determinations, table values and reporting requirements, impacting the Family Assistance Management Information System (FAMIS) application.

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 267.84 hours for a cost of $25,444 (267.84 * $95), split 50% GR; 50% Federal in FY 24 exclusively.

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

Officials from the **Office of Administration - Budget & Planning (B&P)** state the provisions of this section has no direct impact on B&P or on general and total state revenues. The B&P states it will not impact the calculation pursuant to Article X, Section 18(e).

<u>§208.151 and §208.662 - 12 month post-partum coverage for MPW and SMHB participants</u>

In response to these sections in a similar proposal (SS for SCS for SBs 45 & 90), officials from the **Department of Social Services (DSS), Family Support Division (FSD)** stated this proposal amends §208.151 to extend pregnancy-related and postpartum coverage from the last day of the month that includes the sixtieth day to one year after the pregnancy ends for individuals receiving MO HealthNet for Pregnancy (MPW) effective upon passage and approval. DSS shall submit a state plan amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) within sixty days of the effective date of this act and the provisions of this legislation shall remain in effect for any period of time during which there is federal authority under 42 U.S.C. Section 1396a(e)(16) or any successor statutes or regulations, is in effect.

Subsection 208.662.6 is amended to extend pregnancy-related and postpartum coverage from the last day of the month that includes the sixtieth day to one year after the pregnancy ends for individuals receiving Show Me Healthy Babies (SMHB). DSS shall submit a SPA to CMS within sixty days of the effective date of this act and the provisions of this legislation shall remain in effect for any period of time during which there is federal authority under 42 U.S.C. Section 1397gg(e)(1)(J) or any successor statutes or regulations, is in effect.

Beginning April 1, 2022, sections 9812 and 9822 of The American Rescue Plan Act of 2021 (ARPA) give states the option to extend Medicaid coverage for pregnant women beyond the required 60-day postpartum period through the end of the month in which a 12-month postpartum period ends. The option provides for continuous eligibility. States electing this option must provide full state plan benefits during the pregnancy and postpartum period; they may not limit coverage to pregnancy-related services. If adopted for Medicaid, the extended postpartum coverage election applies automatically to the Children’s Health Insurance Program (CHIP) in the state. This option is time-limited to a 5-year period beginning on the effective date of the provision, April 1, 2022. On December 29, 2022, the Consolidated Appropriations Act, 2023 (CAA, 2023) was enacted, making the option for states to provide 12-months of continuous post-partum coverage a permanent state plan option, overriding the previous authorization for a 5-year limit in ARPA.

Due to the Families First Coronavirus Response Act (HR 6201, Section 6008), MO HealthNet coverage was maintained at the same benefit level for all cases as of March 18, 2020, and coverage was only closed for voluntary requests, deceased participants, participants moving out of the state, or aging out of CHIP under Title XXI. Due to this requirement, FSD has used data from FY 2020.

CMS issued guidance for extending postpartum coverage in State Health Official Letter 21-007 on December 7, 2021. The guidance directs states opting to accept this coverage to provide twelve months of continuous coverage at the level of care the participant received when the pregnancy ended.

The Family Support Division (FSD) determined that approximately 4,565 individuals who received MPW postpartum benefits beginning on the last day of their pregnancy would have coverage extended to twelve months.

FSD arrived at the number in the following manner:

In FY 2020, 46,455 MPW participants lost postpartum coverage after 60 days. Of these:

14,513 MPW moved to other assistance assuming a full benefit package
12,449 MPW moved to Extended Women's Health Services (EWHS) with limited benefits
<u>19,493 MPW received no other assistance</u>
Total: 46,455 MPW participants lost postpartum coverage after 60 days

Under Amendment 2, Missouri Constitution Article IV, Section 36(c), effective July 1, 2021, the DSS extended MO HealthNet coverage to persons age 19 to 64 with income under 138% of the federal poverty level (FPL), known as the Adult Expansion Group (AEG). The extension of this MO HealthNet coverage results in MPW participants that would have previously moved to Extended Women's Health Services (EWHS) or received no other assistance to potentially be eligible for AEG. To estimate the number of MPW participants that could now move directly from MPW to AEG, DSS analyzed MPW participants receiving in February 2020 with income under 138% FPL that do not receive Medicare and determined 87% of the MPW population will now be eligible for AEG and receive a full benefit package. DSS then used the 87% to estimate 27,790 ((12,449 + 19,493 = 31,942) and (31,942 * 0.87 = 27,789.54, rounded up)) could move to AEG after the 12 months of postpartum coverage expires.

Therefore, the total MPW participants estimated to receive extended postpartum for twelve months is 4,152 (46,455 – 14,513 – 27,790 = 4,152).

46,455 MPW participants lost postpartum coverage after 60 days
(14,513) MPW moved to other assistance assuming a full benefit package
<u>(27,790)MPW moved to AEG</u>
Total: 4,152 estimated to receive extended postpartum for twelve months

In FY 2020, 553 SMHB participants lost postpartum coverage after 60 days. Of these:

140 moved to other assistance assuming a full benefit package
68 moved to Women's Health Services (WHS) with limited benefits
<u>345 received no other assistance</u>

Total: 553 SMHB participants lost postpartum coverage after 60 days

FSD assumes SMHB participants who moved to EWHS will not be eligible for AEG as their income at the SMHB determination exceeds eligibility guidelines for AEG. The total SMHB participants estimated to receive extended postpartum for twelve months is 413 (553 total – 140 moved to other assistance = 413).

In SFY 2020, 1,846 participants were eligible for and received other MO HealthNet benefits that were not pregnancy related, but received pregnancy related services. These individuals would also be eligible to have their MO HealthNet benefits continuously extended for twelve months from the date the pregnancy ended.

Amending these sections would extend coverage for 48,854 (46,455 + 553 + 1,846 = 48,854) total individuals after the pregnancy ended. DSS assumes that eligibility for the extended coverage would also include any postpartum participant currently within the initial 60-days of coverage as of the effective date.

Therefore, FSD determined that approximately 4,565 (4,152 + 413 = 4,565) individuals would be newly eligible for coverage extended to twelve months.

In discussions with DSS, **Oversight** learned the 1,846 MO HealthNet participants who were not covered by MPW or SMHB, but did receive pregnancy related services, are not counted in the newly eligible extended post-partum coverage participant numbers because they are assumed to remain eligible for that MO HealthNet coverage for the entire 12 months. This results in those beneficiaries being included in the population that already has MO HealthNet costs. **DSS** assumes, for example, a participant with MO HealthNet for Families coverage will remain eligible for that coverage for the extended post-partum period. When **Oversight** asked DSS about any potential additional costs for continuing coverage on participants (excluding MPW and SMHB) for which they are not otherwise eligible and would be removed if they had not received pregnancy related services, officials from **DSS** stated there could potentially be some participants that would not be eligible for the entire 12 months, but DSS is not currently able to estimate how many there might be at this time because they have not removed any Adult Expansion Group (AEG) participants since implementation of that program due to the Public Health Emergency.

DSS, FSD states if the provisions of this legislation are enacted, the DSS will submit a SPA to CMS for approval. DSS estimates that it will take approximately 90 days for the SPA to be approved. Therefore, DSS estimates that implementation of the provisions of this legislation cannot occur until July 1, 2023.

The extension of coverage would have no fiscal impact to FSD.

FSD defers to the MO HealthNet Division (MHD) for costs to the program.

FSD assumes the Office of Administration (OA), Information Technology Services Division (ITSD)/DSS will include the MEDES programming costs for the system changes needed to implement provisions of this bill in their response.

Oversight notes FSD's deferral to MHD and OA, ITSD/DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for FSD.

In response to these sections in a similar proposal (SS for SCS for SBs 45 & 90), officials from the **DSS, MHD** stated, currently, MHD covers pregnancy-related and postpartum mothers for up to 60 days after the pregnancy ends. This legislation would extend coverage to twelve months after the pregnancy ends. A waiver, SPA amendment, and Managed Care Organization (MCO) Contract Amendment would be needed for this legislation. Therefore, the MHD may not start seeing additional costs until the approval of the spa amendment and MCO Contract Amendment.

FSD determined a grand total of 4,565 (413 SMHB plus 4,152 MPW) participants would qualify for coverage under this legislation. MHD assumes new Medical Eligibility (ME) code(s) would need to be created for this population, with a total cost of $323,550, split 25% GR ($80,886); 75% Federal. MHD also found an average monthly per member per month (PMPM) rate of $533.57 for this population. This rate includes carved-out services, which mainly includes DMH services as well as Pharmacy related services.

The MHD assumes that system work will be needed for this added population. The MHD would assume that only new eligible mothers would qualify for extended coverage when this legislation takes effect, so the population was ramped up in FY24. The SMHB costs for extended coverage are below:

FY24 Total: $12,269,115 (GR: $4,141,782; Federal: $8,127,333)
FY25 Total: $30,807,329 (GR: $10,472,952; Federal: $20,334,377)
FY26 Total: $32,470,924 (GR: $11,038,490; Federal: $21,432,434)

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MHD.

In response to these sections in a similar proposal (SS for SCS for SBs 45 & 90), the **DSS, Division of Legal Services (DLS)** estimated it will require one (1) additional FTE Hearing Officer to implement this legislation. This need stems from a likely increase in administrative appeals associated with the bill's new requirements. The Family Support Division estimates that

4,565 new participants would qualify for services under this legislation. MO HealthNet Division estimates that 5% of those new participants would need an administrative hearing for some reason during the year. DLS's hearings unit will need to adjudicate an additional 229 administrative hearings. Given the hearings officer's normal caseload of 696 hearings, one (1) additional hearing officer will be needed to absorb this increase in hearings [((4,565 * 0.05) / (696)) = 0.33 = 1 new FTE hearings officer].

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

In response to these sections in a similar proposal (SS for SCS for SBs 45 & 90), officials from **OA, ITSD/DSS** state the Missouri Eligibility Determination and Enrollment System (MEDES) currently provides eligibility determinations and case management functions for family MO HealthNet programs, including the MO HealthNet for Pregnant Women (MPW) and Show-me Healthy Babies (SMHB) programs, and the Children's Health Insurance Program (CHIP) administered by the DSS Family Support Division using the Modified Adjusted Gross Income (MAGI) criteria established under the Patient Protection and Affordable Care Act of 2010 (ACA). IBM Curam is a commercial off-the-shelf (COTS) software package that provides the core eligibility determination and case management functionality for MEDES. The proposed change to Sections 208.151 and 208.662 will require significant modifications to MEDES.

Subsection 208.151.1 currently retains eligibility for pregnancy-related and postpartum coverage through the last day of the month in which the 60th day after the pregnancy ends occurs. The added changes indicate that pregnant women shall be eligible for medical assistance during the pregnancy and during the 12-month period that begins on the last day of the woman's pregnancy and ends on the last day of the month in which the 12-month period ends. Due to the level of coverage under the existing postpartum subprograms, it is assumed the same MPW Post-partum Medicaid Eligibility (ME) codes will be used for the entire extended 12 month period.

Subsection 208.662.6(2) states mothers eligible under the SMHB program shall receive medical assistance benefits during the pregnancy and through the last day of the month 12 months after the pregnancy ends. Due to the level of coverage under the existing postpartum subprograms, it is assumed the same SMHB Post-partum Medicaid Eligibility code will be used for the entire extended 12 month period. Individuals on SMHB that are not citizens are assumed to not be eligible for the extended coverage.

The following modifications would be required for this group:

- New Medicaid Eligibility (ME) codes will be created for MO HealthNet programs that currently do not have postpartum coverage (i.e. programs other than MPW and SMHB).
- The programming for same ME codes that are used for the current MPW and SHMB postpartum 60 day extensions will be updated for the 12 month extension.
- Operational and management reports will need to be developed for the non-citizen program under the new ME code(s).

- A batch interface will be created that provides pregnancy related service information from the MMIS to MEDES. The evidence will be stored in MEDES to be accessed/ checked prior to performing a closing action.
- Additional programming will be added to create pregnancy verification tasks because it will be necessary for eligibility specialists to enter the pregnancy termination date so the system can calculate the end date for the 12 months of extended coverage.
- Multiple system generated notices will be modified to include information to recipients about the 12 months of extended coverage and advise of importance of reporting pregnancy so the additional benefit will be considered when a closing action is being processed.

Systems modifications will be executed via a Project Assessment Quotation (PAQ) under the existing Redmane contract for MEDES Maintenance and Operations as an enhancement. Hourly IT costs under this contract vary by position title and work type. It is estimated to take 4,712.48 hours for a total cost of $801,314 in FY 2024 exclusively (25% GR; 75% Federal). Ongoing maintenance will be covered under the existing Redmane maintenance and operations contract.

Therefore, the total MEDES upgrades will be split $200,329 GR; $600,984 Federal in FY 2024 exclusively.

Oversight does not have any information to the contrary. Oversight notes the increased OA, ITSD/DSS costs from similar legislation (HB 2604) from the previous session. In discussions with DSS officials, Oversight learned the added costs come from the changes that must be made to several MO HealthNet programs, rather than alterations to only MPW and SMHB. Therefore, Oversight will reflect the costs provided by ITSD/DSS for fiscal note purposes.

Officials from the **Office of Administration - Budget and Planning** defer to DSS for the potential fiscal impact of the provisions in these sections.

Oversight notes B&Ps deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for B&P.

<u>§208.186 - Prohibits Medicaid payments for non-Missouri residents</u>

In response to a similar proposal from the current session (SB 282), officials from **MHD** stated, effective July 1, 2022, MHD rebased the inpatient per diem and changed the add-on payments paid to hospitals. The add-on payments no longer include reimbursement for non-Missouri residents, therefore, there would be <u>no impact</u> to MHD.

Oversight does not have any information to the contrary. In discussions with DSS officials, Oversight learned that effective July 1, 2022, the Missouri Code of State Regulations (CSR) regarding payments to Missouri hospitals was updated to eliminate payments, add-ons, and reimbursements to health care providers through MO HealthNet for medical assistance services provided to non-Missouri Medicaid patients.

Prior to the CSR changes, the Direct Medicaid payment, which included the reimbursement for non-Missouri residents, was included 13 CSR 70-15.015. When MHD rebased and updated the methodology, this payment was **repurposed** into the payments now outlined in 13 CSR 70-15.010 and 13 CSR 70-15.230. Prior regulation language which included non-Missouri residents, was removed. Because the new payment calculations in the updated CSRs do not impact the amount of funds collected, only how the funds are disbursed, the recalculations have a budget neutral result. The provisions of this proposal will not change MHD's current reimbursement calculation or methodology. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS, MHD for these provisions.

Officials from **FSD** state FSD determines MO HealthNet eligibility for the Modified Adjusted Gross Income (MAGI) and MO HealthNet for Aged, Blind and Disabled (MHABD) programs. 42 CFR 435.403 requires states to provide Medicaid to eligible residents of the state. Individuals who are not a resident of Missouri are not currently eligible for any MO HealthNet programs. The provisions of this bill do not alter any eligibility criteria for any MO HealthNet programs FSD administers.

Therefore, there is no fiscal impact to FSD.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section for FSD.

Officials from the **Office of Administration - Budget and Planning** defer to DSS for the potential fiscal impact of this section.

Oversight notes B&Ps deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for B&P for this section.

§208.239 – DSS to resume eligibility redeterminations/timeframes

Officials from the **Office of Administration - Budget and Planning** defer to DSS for the potential fiscal impact of this section.

Oversight notes B&Ps deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for B&P for this section.

Other agencies responding to this proposal did not include an impact statement regarding the provisions of this section. Therefore, **Oversight** will reflect a zero impact in the fiscal note.

Oversight notes the Centers for Medicare and Medicaid Services (CMS) released a state health official letter (SHO# 23-002) on January 27, 2023 which states the following:

On December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA, 2023) was enacted…section 5131 of subtitle D of title V of division FF of the CAA, 2023… makes significant changes to the continuous enrollment condition and availability of the temporary increase in the Federal Medical Assistance Percentage (FMAP) under section 6008 of the Families First Coronavirus Response Act (FFCRA) (hereinafter referred to as "temporary FMAP increase") and establishes new state reporting requirements and enforcement authorities for the Centers for Medicare & Medicaid Services (CMS).

Section 5131(a)(2)(C) separates the end of the continuous enrollment condition from the end of the COVID-19 PHE by amending section 6008(b)(3) of the FFCRA to end continuous Medicaid enrollment as a condition for claiming the temporary FMAP increase on March 31, 2023. This means that, on or after April 1, 2023, states claiming the temporary FMAP increase will no longer be required to maintain the enrollment of a Medicaid beneficiary for whom the state completes a renewal and who no longer meets Medicaid eligibility requirements. ***With the changes made in section 5131, states must end the enrollment of ineligible beneficiaries on or after April 1, 2023, after a full renewal is conducted during the state's unwinding period, no matter when the COVID-19 PHE ends****.*

Oversight further notes that details of DSS's plan for Medicaid Annual Renewals is provided on the DSS website which includes the department's annual renewal timeline.

§209.700 – Missouri Employment First Act

Officials from the **Office of Administration (OA)** state this section of the proposal indicates that all state agencies that provide employment-related services or that provide services or support to persons with disabilities shall implement an employment first policy by considering competitive integrated employment as the first and preferred outcome when planning or providing services or supports to persons with disabilities, offer information on competitive integrated employment, ensure that persons with disabilities receive the opportunity to understand and explore education and training as pathways to employment, promote the availability and accessibility of individualized training, promote partnerships with private agencies that offer support, ensure staff members of public schools, vocational service programs, and community providers have support, guidance, and training to contribute to the attainment of the goal of competitive integrated employment for all persons with disabilities, ensure that competitive integrated employment and discuss basic information about competitive integrated employment with parents and guardians of youth with a disability.

Office of Administration, Division of Personnel assumes that to comply with the requirements listed within the Missouri Employment First Act that additional training, new recruitment efforts, and educational information would need to be developed to ensure that the integrated employment was implemented and successful.

Office of Administration, Division of Personnel would require four (4) new FTE to comply with the Missouri Employment First Act including one Senior Staff Development Training Specialist, two Human Resources Consultants, and one Administrative Professional Assistant. Currently, the average salary of a team member in the Office of Administration, Division of Personnel is $95,924.55 yearly including fringe benefits multiplied by four with a total of $383,698.20. Each additional FTE would require new equipment and working space with a cost of $6,620.00 multiplied by 4 with a total of $26,479.00. Additional funding of zero to unknown would be needed for travel reimbursement costs associated with statewide travel for training purposes including mileage reimbursement (approximately $0.55 per mile), meal per diem reimbursement (current rate is approximately $38.00 a day,) and lodging reimbursement (current rate is approximately $98.00 a day).

Office of Administration, Division of Personnel would also assume that Legal would have additional staff time invested in the review of newly developed policies and training.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect to cost estimated provided by OA to the General Revenue Fund.

Officials from the **Office of Administration - Budget & Planning (B&P)** state the provisions of this section has no direct impact on B&P or on general and total state revenues. The B&P states it will not impact the calculation pursuant to Article X, Section 18(e).

Officials from the **Department of Social Services – Family Services Division (FSD)** state that currently, FSD provides vocational rehabilitation through Rehabilitative Services for the Blind (RSB). The RSB already provides information on competitive integrated employment to blind Missourians who request services and offer in-depth benefits counseling when requested to their Vocational Rehabilitation (VR) clients. In addition, FSD has entered into a combined state plan under the Workforce Innovation and Opportunity Act (WIOA), further aligning services to serve the most vulnerable populations first. FSD currently follows state and federal regulations that already follow the provisions outlined in this bill.

FSD assumes that the requirements of the proposed legislation could be met by developing a brochure that provides general information on competitive integrated employment, resources to obtain and secure assistive technologies to help an individual go to work (which would include Rehabilitation Technology devices and services under theVR program), information on how earned income might affect their public benefits, and information about Achieving a Better Life Experience (ABLE) accounts.

Since FSD would not know which households include an individual with a disability, to ensure the brochure reached all potential disabled persons, FSD would complete a mass mailing of the brochure to all participants active in FSD programs. In addition, a brochure will be provided by RSB to clients' age 16 and higher upon application for services. For Youth with Disabilities, RSB will attend annual Individual Education Program (IEP) meetings when requested and it is assumed the brochure could be provided at the annual IEP meetings.

Due to the Families First Coronavirus Response Act (HR 6201, Section 6008), MO HealthNet (MHN) coverage was maintained at the same benefit level for all cases as of March 18, 2020 and coverage was only closed for voluntary requests, deceased participants, participants moving out of the state, or aging out of Children's Health Insurance Program (CHIP) under Title XXI. The annual review process required in 42 CFR 435.916 and RSMo 208.147 is temporarily waived while operating under the provisions of HR 6201, Section 6008. The number of MHN cases included in the total number of FSD IM cases may be higher as this resulted in limited closings after March 18, 2020. As of October 31, 2022 there were a combined total of 857,194 active FSD Income Maintenance (IM) cases that would receive the informational brochure annually. FSD calculated the cost to produce the brochure based on production costs of similar brochures produced by the division at $0.10 per brochure, and mailing costs at the bulk-mailing rate of $0.52 per item. It is estimated that the cost to produce and mail the informational brochure to IM households would total $531,460 [(857,194*$0.10) +(857,194*$0.52) = **$531,460.28**, rounded down)].

As of January 6, 2023, there are a total of 1,735 active RSB participants in all programs age 16 or higher. Of those, it is estimated that the majority prefers printed communication to be in large print, with a minority requesting regular print or braille. Assuming 85% large print, 10% regular print, and 5% braille, the RSB calculated the following amounts of the informational brochure will be needed for the initial mailing:

- 1,475 (1,735*.85 = 1,474.75, rounded up) large print informational brochures
- 173 (1,735*.10 = 173.5, rounded down) regular print informational brochures
- 87 (1,735*.05 = 86.75, rounded up) braille informational brochures

FSD calculated the cost to produce the brochure based on production costs of similar brochures produced by the division at $0.45 per brochure in regular print, $3.50 per brochure in large print, and $5.00 per brochure in braille. The mailing costs are calculated at the bulk mailing rate of $0.52 per item. It is estimated that the cost to produce and mail the informational brochure in the following formats to RSB participants the first year would total $6,578 ($5,930+$168+$480).

- 1,475 large print informational brochures: $5,930 [(1,475*$3.50) + (1,475*0.52) = $5,929.50, rounded up]
- 173 regular print informational brochures: $168 [(173*$0.45)+(173*$0.52) = $167.81, rounded up]
- 87 braille informational brochures: $480 [(87*$5.00)+(87*$0.52) = $480.24, rounded down]

As RSB receives approximately 1,800 new referrals a year, it is assumed that the following amounts of informational brochures would be needed ongoing to provide to RSB clients during the application process and at annual IEP meetings:

- 1,530 (1,800*0.85) large print informational brochures
- 180 (1,800*0.10) regular print informational brochures
- 90 (1,800*0.05) braille informational brochures

The RSB estimates the ongoing annual fiscal impact of $6,823 ($6,151+$175+$497) as follows:

- 1,530 large print brochures: $6,151 [(1,530*$3.50)+(1,530*$0.52) = $6,150.60, rounded up]
- 180 regular print brochures: $175 [(180*$0.45)+(180*$0.52) = $174.60, rounded up]
- 90 braille brochures: $497 [(90*$5.00)+(90*$0.52) = $496.80, rounded up]

Therefore, the one-time fiscal impact to the FSD as a result of the provisions in section 209.700, would be RSB's initial cost of $6,578. The ongoing fiscal impact will be $538,283 (the cost of IM's annual brochure mailing of $531,460 and RSB ongoing cost of $6,823).

The total fiscal impact to the FSD as a result of the provisions of this legislation is a one-time cost of $6,578 and an ongoing cost of $538,283 annually (split between GR & Fed.).

In summary, FSD assumes a cost of $538,038 in FY 2024 and a cost of $538,283 in FY 2025 and FY 2026 to provide for the implementation of the changes in this section of the proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect cost estimate as provided by FSD.

Regarding §§37.980, 208.146 and 209.700 in House Amendment 2, **Oversight** notes that, in response to a similar proposal (HCS for HBs 971 & 970), officials from the **Department of Labor and Industrial Relations**, the **Missouri Department of Conservation**, the **Office of the State Courts Administrator** and the **Department of Public Safety, Capitol Police** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies for these sections.

Responses regarding the proposed legislation as a whole as amended

Officials from the **Department of Mental Health (DMH)** the anticipated fiscal impact to the Comprehensive Psychiatric Rehab (CPR), Comprehensive Substance Treatment and Rehabilitation (CSTAR), Certified Community Behavioral Health Clinics (CCBHO) and Developmental Disabilities (DD) waiver services are included in the DSS estimates.

Oversight notes DMH's deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DMH.

Officials from the **Department of Public Safety (DPS), Missouri Highway Patrol (MHP)** defer to the MODOT/MSHP Health Plan for the potential fiscal impact of this proposal.

Oversight notes DPS, MHP's deferral to the MODOT/MSHP Health Plan for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DPS, MHP.

Officials from the **Department of Commerce and Insurance**, the **Office of Administration (OA)**, the **OA - Administrative Hearing Commission**, the **OA - Budget and Planning**, the **Attorney General's Office**, the **Department of Health and Senior Services**, the **Missouri Department of Agriculture**, the **Department of Economic Development**, the **Department of Higher Education and Workforce Development**, the **Department of Natural Resources**, the **Department of Public Safety** (**Directors Office**, **Alcohol & Tobacco Control**, **Fire Safety**, **Gaming Commission**, , **State Emergency Management Agency** and **Veterans Commission**), the **Missouri National Guard**, the **Office of the Governor**, the **Joint Committee on Education**, the **Joint Committee on Legislative Research (LR)**, the **LR Oversight Division**, the **Joint Committee on Public Employee Retirement**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Missouri State Employee's Retirement System**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Department of Transportation**, the **Office of Prosecution Services**, the **Office of the State Auditor**, the **Missouri Senate**, the **Office of the State Public Defender**, the **State Tax Commission**, the **Newton County Health Department**, and the **St. Louis County Health Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other County and City Health Departments and hospitals were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>Rule Promulgation</u>

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. **The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than $5,000.** The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
GENERAL REVENUE				
Cost – OA (§37.980) General Assembly Report and update to MoCareers p. 26	($51,578)	$0	$0	$0
Costs – DSS, FSD (§208.035) Transitional Benefits				
Personal service p. 7	($144,725)	($175,407)	($177,161)	($180,722)
Fringe benefits	($98,255)	($118,539)	($119,179)	($120,478)
Equipment and expense	($59,950)	($39,183)	($40,162)	($42,195)
SNAP additional annual mailings p. 5	($7,891)	($9,469)	($9,469)	($9,469)
TANF additional mailings p. 6	($3,500)	($4,200)	($4,200)	($4,200)
SNAP transitional benefits pp. 5	$0 or Up to ($1,638,900 to $32,322,750)	$0 or Up to ($1,966,680 to Could exceed $38,787,300)	$0 or Up to ($483,552 to Could exceed $42,936,194)	$0 or Up to ($483,552 to Could exceed $42,936,194)
TANF transitional benefits pp. 6-7	Up to ($40,380 to $4,482,180)	($5,378,616 to Unknown)	($5,378,616 to Unknown)	($5,378,616 to Unknown)
EBT vendor costs p. 7	($4,000)	($4,000)	($4,000)	($4,000)
Total Costs – DSS, FSD	Could significantly exceed ($1,997,601 to $37,123,251)	Could significantly exceed ($5,729,414 to $44,516,714)	Could significantly exceed ($5,732,787 to $44,520,087)	Could significantly exceed ($5,739,680 to $44,526,980)
FTE Changes	3.5 FTE	3.5 FTE	3.5 FTE	3.5 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<u>Costs</u> – DSS, DLS (§208.035) p. 8-9				
Personal service	($30,410 to $60,820)	($36,857 to $73,714)	($37,226to $74,451)	($37,974 to $75,947)
Fringe benefits	($17,588 to $35,175)	($21,239 to $42,477)	($21,373 to $42,746)	($21,646 to $43,292)
Equipment and expense	($6,165 to $12,329)	($5,598 to $11,195)	($5,738to $11,475)	($6,028to $12,056)
Total <u>Costs</u> – DSS, DLS	($54, 162 to $108,324)	($63,693 to $127,386)	($64,336 to $128,672)	($65,648 to $131,295)
FTE Changes	0.5 to 1 FTE	0.5 to 1 FTE	0.5 to 1 FTE	0.5 to 1 FTE
<u>Costs</u> – OA, ITSD/DSS (§208.035) FAMIS updates for SNAP and TANF p. 9	($27,702)	($5,679)	($5,821)	($6,116)
<u>Costs</u> – DESE, Office of Childhood (§208.053) p. 12-13	Could exceed…	Could exceed…	Could exceed…	Likely to exceed…
Personal service	($549,264)	($560,249)	($571,454)	($571,454)
Fringe benefits	($408,098)	($412,207)	($416,399)	($416,399)
Equipment and expense	($249,463)	($119,671)	($121,278)	($121,278)
Total <u>Costs</u> - DESE, Office of Childhood	Could exceed ($1,206,825)	Could exceed ($1,092,127)	Could exceed ($1,109,131)	Likely to exceed ($1,109,131)
FTE Changes	13 FTE	13 FTE	13 FTE	13 FTE
<u>Costs</u> – DESE, Office of Childhood (§208.053) Child Care Subsidy Distributions p. 10-12	($171,006,472)	($171,006,472)	($171,006,472)	($171,006,472)
<u>Cost</u> – OA, ITSD/DESE p. (§208.053) Changes to CCDS p. 13-14	($112,860 to Unknown)	($23,136 to Unknown)	($23,714 to Unknown)	($24,915 to Unknown)

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<u>Costs</u> – DSS/FSD (§208.066) pp. 16	Up to…	Up to…	Up to…	Up to…
Personal service	($203,720)	($246,909)	($249,378)	($254,390)
Fringe benefits	($139,259)	($168,002)	($168,903)	($170,732)
Equipment and expense	($86,843)	($55,975)	($57,375)	($60,279)
<u>Costs</u> - DSS (§208.066) One-time mailing costs p. 16	($222,754)	$0	$0	$0
Total <u>Costs</u> - DSS/FSD	($222,754 to $652,576)	Up to ($470,886)	Up to ($475,656)	Up to ($485,401)
FTE Change - DSS/FSD	5 FTE	5 FTE	5 FTE	5 FTE
<u>Costs</u> – OA, ITSD/DSS (§208.066) FAMIS interface updates p. 17	($20,725)	($4,248)	($4,355)	($4,575)
<u>Costs</u> – DOR (§208.066) p. 19				
Personal service (FTE)	($130,000)	($159,120)	($162,302)	($168,859)
Fringe benefits (FTE)	($113,577)	($135,977)	($137,138)	($139,530)
Recurring expense (FTE)	($2,329)	($2,851)	(2,908)	($3,026)
Personal service (Temps)	($1,020,000)	($1,248,480)	($1,273,450)	($1,324,897)
Social Security and Medicare benefits (Temps)	($370,885)	($455,445)	($464,554)	($483,322)
Equipment and expense (Temps)	($104,720)	($54,737)	($55,832)	($58,088)
Forms and system updates p. 18	($160,000)	$0	$0	$0
Paper p. 19	($28,700)	($35,129)	($35,831)	($37,279)
Printers p. 19	(Unknown)	$0	$0	$0
Postage/ mailing p. 19	(Unknown)	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Costs – DOR (§208.066) continued pp. 17-19				
Interest p. 20	(Unknown to could exceed $100,000)	(Unknown to could exceed $100,000)	(Unknown to could exceed $100,000)	(Unknown to could exceed $100,000)
Total Costs – DOR	(Unknown to could exceed $2,030,211)	(Unknown to could exceed $2,191,739)	(Unknown to could exceed $2,232,015)	(Unknown to could exceed $2,315,001)
FTE Change – DOR	5 FTE	5 FTE	5 FTE	5 FTE
Costs - DSS (§208.146) Increase in state share of Ticket to Work Health Assurance Program costs p. 29-31	($1,131,267)	($1,234,050)	($215,571)	$0
Costs - DSS/MHD (§208.146) MMIS system updates p. 30	($63,000)	$0	$0	$0
Costs - OA, ITSD/DSS (§208.146) FAMIS system updates p. 32	($12,722)	$0	$0	$0
Costs – DSS/MHD (§§208.151 and 208.662) new ME codes for Post-partum Extension p. 35	($80,886)	$0	$0	$0
Costs - DSS/MHD (§§208.151 and 208.662) Program distributions for Post-partum Extension p. 35	($4,141,782)	($10,472,952)	($11,038,490)	Likely to exceed ($11,038,490)

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Costs – DSS/DLS (§§208.151 and 208.662) p. 36				Likely to exceed…
Personal service	($72,984)	($73,714)	($74,451)	($74,451)
Fringe benefits	($42,211)	($42,477)	($42,746)	($42,746)
Equipment and expense	($17,929)	($11,195)	($11,475)	($11,475)
Total Costs - DSS/DLS	($133,124)	($127,386)	($128,672)	($128,672)
FTE Changes	1 FTE	1 FTE	1 FTE	1 FTE
Costs – OA,ITSD/DSS (§§208.151 and 208.662) MEDES system changes for Post-partum Extension pp. 36	($200,329)	$0	$0	$0
Costs – OA, ITSD/DSS (§208.247) FAMIS felony tracking p. 20	($34,884)	($7,151)	($7,330)	($7,701)
Cost – OA (§209.700) p. 40				
Salaries	($210,752)	($257,960)	($263,119)	($273,752)
Fringe Benefits	($130,796)	($158,847)	($160,777)	($164,708)
Equipment	($15,395)	$0	$0	$0
Total Cost – OA	($356,943)	($416,807)	($423,896)	($438,460)
FTE Change – OA	4 FTE	4 FTE	4 FTE	4 FTE
Cost – DSS - (§209.700) p. 41-42 Brochure development and mailing	($240,604)	($242,227)	($242,227)	($242,227)

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Cost – DOC p. (§§570.400 and 570.404) Increase in P&P officers pp. 24-25				
Personal service	$0	$0	($50,848)	($51,870)
Fringe benefits	$0	$0	($35,082)	($35,787)
Equipment and expense	$0	$0	($12,416)	($3,926)
Increased incarceration costs	($63,327)	($155,024)	($197,655)	($205,640)
Total cost - DOC	($63,327)	($155,024)	($296,001)	($297,223)
FTE Change - DOC	0 FTE	0 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	**Could significantly exceed ($183,189,758 to $218,799,391)**	**Could significantly exceed ($192,772,105 to $232,093,983)**	**Could significantly exceed ($192,530,818 to $231,858,108)**	**Could significantly exceed ($192,424,311 to $231,762,658)**
Estimated Net FTE Change on the General Revenue Fund	35 to 35.5 FTE	35 to 35.5 FTE	36 to 36.5 FTE	36 to 36.5 FTE

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
FEDERAL FUNDS				
Income – DSS, FSD (§208.035) Transitional benefits program reimbursements pp. 5-7	Could significantly exceed $1,953,721 to $32,637,571	Could significantly exceed $346,598 to $39,133,898	Could significantly exceed $349,971 to $39,137,271	Could significantly exceed $356,864 to $39,144,164
Income – DSS, DLS (§208.035) Transitional benefits program reimbursements p. 8-9	$0 to $54,162	$0 to $63,693	$0 to $64,336	$0 to $65,648
Income – OA, ITSD/DSS (§208.035) Reimbursement FAMIS updates for SNAP and TANF p. 9	$27,702 to Unknown	$5,679 to Unknown	$5,821 to Unknown	$6,116 to Unknown
Income – DSS, FSD (§208.066) Program reimbursements pp. 16-17	$222,754 to $652,576	Up to $470,886	Up to $475,656	Up to $485,401
Income – OA, ITSD/DSS (§208.066) Reimbursement for FAMIS interface updates p. 17	$20,725	$4,248	$4,355	$4,575
Income - DSS (§208.146) Increase in program reimbursements p. 29-31	$1,898,999	$2,000,283	$352,594	$0
Income - DSS/MHD (§208.146) MMIS system update reimbursements p. 30	$63,000	$0	$0	$0

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Income - OA, ITSD/DSS (§208.146) FAMIS system update reimbursements p. 32	$12,722	$0	$0	$0
Income - DSS/MHD (§§208.151 and 208.662) Reimbursement for Post-partum Extension p. 35	$8,127,333	$20,334,377	$21,432,434	Likely to exceed $21,432,434
Income – DSS/MHD (§§208.151 and 208.662) Reimbursement for new ME codes for Post-partum Extension p. 35	$242,663	$0	$0	$0
Income – OA,ITSD/DSS (§§208.151 and 208.662) Reimbursement for MEDES system changes for Post-partum Extension p. 36	$600,984	$0	$0	$0
Income – OA, ITSD/DSS (§208.247) FAMIS felony tracking p. 21	$34,884	$7,151	$7,330	$7,701
Income – DSS - (§209.700) p. 41-42 Brochure development and mailing	$297,434	$296,056	$296,056	$296,056

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Costs – DSS, FSD (§208.035) Transitional Benefits				
Personal service p. 7	($144,725)	($175,407)	($177,161)	($180,722)
Fringe benefits	($98,255)	($118,539)	($119,179)	($120,478)
Equipment and expense	($59,950)	($39,183)	($40,162)	($42,195)
SNAP additional annual mailings p. 5	($7,891)	($9,469)	($9,469)	($9,469)
SNAP transitional benefits pp. 4-5	$0 or Up to ($1,638,900 to $32,322,750)	$0 or Up to ($1,966,680 to Could exceed $38,787,300)	$0 or Up to ($483,552 to Could exceed $42,936,194)	$0 or Up to ($483,552 to Could exceed $42,936,194)
EBT vendor costs p. 7	($4,000)	($4,000)	($4,000)	($4,000)
Total Costs – DSS, FSD	(Could significantly exceed $1,953,721 to $32,637,571)	(Could significantly exceed $346,598 to $39,133,898)	(Could significantly exceed $349,971 to $39,137,271)	(Could significantly exceed $356,864 to $39,144,164)
FTE Changes	3.5	3.5	3.5	3.5
Costs – DSS, DLS (§208.035) p. 8-9				
Personal service	($0 to $30,410)	($0 to $36,857)	($0 to $37,226)	($0 to $37,974)
Fringe benefits	($0 to $35,175)	($0 to $21,239)	($0 to $21,373)	($0 to $21,646)
Equipment and expense	($0 to $6,165)	($0 to $5,598)	($0 to $5,738)	($0 to $6,028)
Total Costs – DSS, DLS	($0 to $54,162)	($0 to $63,693)	($0 to $64,336)	($0 to $65,648)
FTE Changes	0 to 0.5 FTE	0 to 0.5 FTE	0 to 0.5 FTE	0 to 0.5 FTE
Costs – OA, ITSD/DSS (§208.035) FAMIS updates for SNAP and TANF p. 9	($27,702) to Unknown	($5,679) to Unknown	($5,821) to Unknown	($6,116) to Unknown

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Costs – DSS/FSD (§208.066) p. 16	Up to…	Up to…	Up to…	Up to…
Personal service	($203,720)	($246,909)	($249,378)	($254,390)
Fringe benefits	($139,259)	($168,002)	($168,903)	($170,732)
Equipment and expense	($86,843)	($55,975)	($57,375)	($60,279)
Costs - DSS (§208.066) One-time mailing costs p. 16	($222,754)	$0	$0	$0
Total Costs - DSS/FSD	($222,754 to $652,576)	Up to ($470,886)	Up to ($475,656)	Up to ($485,401)
FTE Change - DSS/FSD	5 FTE	5 FTE	5 FTE	5 FTE
Costs – OA, ITSD/DSS (§208.066) FAMIS interface updates p. 17	($20,725)	($4,248)	($4,355)	($4,575)
Costs - DSS (§208.146) Increase in program expenditures p. 29-31	($1,898,999)	($2,000,283)	($352,594)	$0
Costs - DSS/MHD (§208.146) MMIS system update expenditures p. 30	($63,000)	$0	$0	$0
Costs - OA, ITSD/DSS (§208.146) FAMIS system update expenditures p. 32	($12,722)	$0	$0	$0
Costs - DSS/MHD (§§208.151 and 208.662) Program distributions for Post-partum Extension p. 35	($8,127,333)	($20,334,377)	($21,432,434)	Likely to exceed ($21,432,434)

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
Costs – DSS/MHD (§§208.151 and 208.662) New ME codes for Post-partum Extension p. 35	($242,663)	$0	$0	$0
Costs – OA,ITSD/DSS (§§208.151 and 208.662) MEDES system changes for Post-partum Extension p. 36	($600,984)	$0	$0	$0
Costs – OA, ITSD/DSS (§208.247) FAMIS felony tracking p. 21	($34,884)	($7,151)	($7,330)	($7,701)
Cost – DSS - (§209.700) p. 41-42 Brochure development and mailing	($297,434)	($296,056)	($296,056)	($296,056)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0**	**$0**	**$0**	**$0**
Estimated Net FTE Change on the General Revenue Fund	8.5 to 9 FTE	8.5 to 9 FTE	8.5 to 9 FTE	8.5 to 9 FTE

FISCAL IMPACT – Local Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
	$0	**$0**	**$0**	**$0**

FISCAL IMPACT – Small Business

There could be positive impact to small business child care facilities due to possible increased in enrollment in the child care subsidy.

FISCAL DESCRIPTION

This act establishes, subject to appropriations, a transitional benefits program for Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP). Such transitional benefits shall be designed to assist recipients of such programs whose monthly income has exceeded the maximum allowable income for program eligibility or $6,250, adjusted for CPI, whichever is lower, to continue receiving reduced benefits, as described in the act. Recipients of transitional benefits shall comply with all requirements of each program for which they are eligible, including work requirements. Transitional benefits received under this act shall not be included in the lifetime limit for TANF benefits (§208.035).

This act modifies provisions relating to transitional child care benefits by expanding the Hand-Up pilot program statewide for individuals whose incomes exceed the maximum allowable amount for the full child care subsidy benefit. Transitional child care benefits shall be reduced benefits determined on a sliding scale as the recipient's income increases, with the recipient paying the remainder of the fee to the child care provider. Additionally, this act removes the expiration date of the Hand-Up program (§208.053).

Under this act, the Department of Social Services shall limit any initial application for SNAP, TANF, child care assistance, or any medical assistance or health insurance program to a concise, non-duplicative, and easily accessible form on the Department's website. Program participants who are required to complete a periodic eligibility review form may submit such form as an attachment to their Missouri state tax return if the eligibility review form is due at the same time as the tax return. Such eligibility forms shall also be made accessible on the Department of Revenue's website (§208.066).

Currently, low-income pregnant and postpartum women receiving benefits through MO HealthNet for Pregnant Women or Show-Me Healthy Babies are eligible for pregnancy-related coverage throughout the pregnancy and for 60 days following the end of the pregnancy. Under this act, MO HealthNet coverage for these low-income women will include full Medicaid benefits for the duration of the pregnancy and for one year following the end of the pregnancy. A woman shall be enrolled in benefits under this program when her child is enrolled in MO HealthNet or the Children's Health Insurance Program (CHIP) or when a physician or the managed care plan notifies the MO HealthNet program of the pregnancy ending involuntarily or necessarily to save the life of the mother. No woman who knowingly receives services that are in violation of state law shall be eligible for benefits under this program. The Department shall submit any necessary state plan amendments or waivers, as described in the act (§208.151 and §208.662).

Under this act, the state shall not provide any payments, add-ons, or reimbursements to health care providers through MO HealthNet for medical assistance services to persons who are not considered Missouri residents under federal regulations (§208.186).

Finally, within 30 days of the effective date of this act, the Department of Social Services shall resume annual MO HealthNet eligibility redeterminations, renewals, and post-enrollment verifications (§208.239).

This act repeals provisions of law allowing for individuals convicted of certain drug offenses to participate in SNAP only if certain conditions are met. Under this act, individuals convicted of a state or federal felony drug offense shall not be excluded from SNAP for such conviction (208.247).

Finally, this act makes the unlawful receipt by sale or transfer by sale of public assistance benefits or electronic benefits transfer (EBT) cards illegal by modifying existing provisions relating to the offenses of unlawful receipt or unlawful transfer of public assistance benefits or EBT cards (§570.400 and §570.404).

This bill requires the Office of Administration to submit a report to the General Assembly by December 31st of each year beginning in 2023. The report's content is specified in the bill and relates to the "Missouri as a Model Employer" initiative under executive order 19-16 (§37.980).

This bill changes the Ticket to Work Health Assurance Program as follows: (1) Excludes retirement accounts from asset limit calculations; (2) Modifies the income calculation from a net/gross calculation to a broader definition that would consider income for those disabled persons with incomes up to 250% FPL, with earned income of the disabled worker from 250% to 300% FPL disregarded, and retaining the requirement that persons with incomes over 100% FPL pay a premium; (3) Removes all earned income of the disabled worker from the list of disregards in income determinations; (4) Adds to the list of disregards the first $50,000 of earned income of a spouse; (5) If the Department elects to pay the person's costs of employer-sponsored health insurance, MO HealthNet assistance shall be provided as a secondary or supplemental policy for only personal care assistance services and non-emergency medical transportation; and (6) The Department shall provide an annual report to the General Assembly concerning the number of participants and outreach and education efforts (§208.146).

The Act specifies that all state agencies that provide employment related services or services or support to persons with disabilities are required to coordinate with other agencies, promote competitive integrated employment, and implement an employment-first policy when providing services to persons with disabilities of working age (§209.700).

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

This proposal contains an emergency clause for §§208.151, 208.186, 208.239 and 208.662.

KP:LR:OD

SOURCES OF INFORMATION

Attorney General’s Office
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
    Directors Office
    Capitol Police
    Alcohol & Tobacco Control
    Fire Safety
    Gaming Commission
    Missouri Highway Patrol
    State Emergency Management Agency
    Veterans Commission
Department of Social Services
Office of the Governor
Joint Committee on Education
Joint Committee on Public Employee Retirement
Joint Committee on Administrative Rules
Missouri Lottery Commission
Legislative Research
Oversight Division
Local Government Employees Retirement System
Missouri Consolidated Health Care Plan
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Office of the Lieutenant Governor
Missouri Department of Transportation
Missouri National Guard
Missouri State Employee's Retirement System
MoDOT & Patrol Employees’ Retirement System
Missouri Office of Prosecution Services
Office of Administration

Administrative Hearing Commission
Budget & Planning
Office of the State Courts Administrator
Office of the State Auditor
Missouri Senate
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
State Tax Commission
Newton County Health Department
St. Louis County Health Department

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