

**FISCAL NOTE**

This bill contains an appropriation of \$54,000,000 from FEDERAL FUNDS (FF) to the Department of Health. This appropriation is effective immediately.

This bill contains an appropriation of \$1,500,000 from GENERAL FUND(GF) to the Department of Health. This appropriation is effective immediately.

**DETAIL OF APPROPRIATION**

Agency #: 048 Agency Name: Department of Health  
 Unit: 0401, 0460, 0470; Health Care Financing, Adult Services, Optional Services - Adult.

| <b>EXPENDITURE BY SERIES AND YEAR</b> | <b>FY 2015</b>   | <b>FY 2016</b>   | <b>FY 2017</b> |
|---------------------------------------|------------------|------------------|----------------|
| 0600 Grant & Aid Payments             | \$0              | \$52,600,000     | \$0            |
| 0900 Contractual Services Costs       | \$0              | \$2,600,000      | \$0            |
| <br>Total Expenditure Per Year:       | <br>\$0          | <br>\$55,200,000 | <br>\$0        |
| <br>Grand Total Expenditure:          | <br>\$55,200,000 |                  |                |
| Total Appropriated to Agency:         | \$55,500,000     |                  |                |
| Total Appropriated by Fund:           |                  |                  |                |
| FEDERAL FUNDS                         | \$53,900,000     |                  |                |
| GENERAL FUND                          | \$1,300,000      |                  |                |

Description of Appropriation:

Appropriation will pay for medical benefits for an estimated 17,600 beneficiaries for the second half of SFY 2016 (Jan 1<sup>st</sup>, 2016 to Jun 30, 2016).

Assumptions:

Medical benefits start Jan 1<sup>st</sup>, 2016.

Projected costs for the second half of SFY 2016 for the SHARE plan are \$1.3 million GF and \$53.9 million FF. \$300,000 of the appropriation is unidentified as to expenditure.

|                                  | <b>FY 2016</b> | <b>FY 2017</b> | <b>FY 2018</b> |
|----------------------------------|----------------|----------------|----------------|
| <b>NON-ADMINISTRATIVE IMPACT</b> |                |                |                |
| Anticipated Revenue increase     |                |                |                |
| FEDERAL FUNDS                    | \$53,900,000   | \$110,700,000  | \$112,500,000  |

Source of revenue increase:

Federal medical assistance percentage(FMAP) increase.

Assumptions:

FMAP for medical benefits will be 100% for 2016, decreasing to 90% in 2020.

- FMAP for administrative cost is 50% in all years.
- 17,600 adults are estimated to be covered by the optional expansion of Medicaid (projection by Milliman Actuarial, Inc.)
- Collected premiums / client cost sharing reduce actuarial value of benefits and total State General Fund required, and are therefore not listed separately as revenue increases.

|                                  | FY 2016 | FY 2017       | FY 2018       |
|----------------------------------|---------|---------------|---------------|
| <b>NON-ADMINISTRATIVE IMPACT</b> |         |               |               |
| Anticipated Expenditure increase |         |               |               |
| GENERAL FUND                     |         | \$6,000,000   | \$9,800,000   |
| FEDERAL FUNDS                    |         | \$110,700,000 | \$112,500,000 |

Source of expenditure increase:

Provision of medical benefits to beneficiaries and program administration in SFY 2017 and 2018. Appropriation only covers benefits and program administration for half of SFY 2016. An additional appropriation would be required in FY2017 and FY2018.

Assumptions:

- Provision of medical benefits to 17,600 individuals.
- Start date of program is Jan. 1<sup>st</sup>, 2016.
- SHARE plan will cost approximately 95% of traditional Medicaid projections developed by Milliman, Inc. due to beneficiary cost sharing and reduced benefit design.

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