

State Expenditures

The bill increases costs in HCPF by \$150,000 in FY 2014-15, and may result in costs in later years. As described below, HCPF will have costs to study the feasibility of a premium assistance program and may have costs to seek federal authorization for such a program.

Feasibility study. The bill results in a one-time cost of \$150,000 in FY 2014-15 for HCPF to conduct a study on the feasibility of implementing a premium assistance program for Medicaid-eligible clients. This cost is split between General Fund and federal funds. It is assumed that a contractor will be required to conduct the study.

Federal authorization. Any costs to seek federal authorization of a premium assistance pilot program are assumed to be addressed through the annual budget process and are conditional upon HCPF recommending implementation of the program and approval of additional funding. If a Medicaid waiver is sought, it is estimated to take two years and cost \$71,012 and 1.0 FTE per year in both FY 2016-17 and FY 2017-18 for staff and associated operating and capital expenses.

Program implementation costs. Costs to implement a premium assistance program, including information technology costs and costs to provide private insurance in lieu of Medicaid coverage will be incurred if federal authorization is sought and received. These costs, which have not been estimated in this fiscal note, would likely begin in FY 2017-18 and depend on the exact format of the premium assistance program pursued by HCPF as approved by the federal government.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

The bill requires an FY 2014-15 appropriation of \$150,000 to HCPF, including \$75,000 General Fund and \$75,000 from federal funds.

State and Local Government Contacts

Health Care Policy and Financing
Regulatory Agencies

Joint Budget Committee
State Auditor

Law
Counties