

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6188-01  
Bill No.: HB 1969  
Subject: Medicaid; Insurance - Medical; Department of Social Services  
Type: Original  
Date: March 24, 2014

Bill Summary: This proposal changes the laws regarding MoHealthNet coverage.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown, greater than \$250,734)	Could exceed \$13,085,030	Could exceed \$13,599,280
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown, greater than \$250,734)</b>	<b>Could exceed \$13,085,030</b>	<b>Could exceed \$13,599,280</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Various Other State Funds	\$0	Less than \$2,923,829	Less than \$3,046,629
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>Less than \$2,923,829</b>	<b>Less than \$3,046,629</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 15 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income, savings, expenditures and losses exceed \$12 million annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	0	-23.19	-23.19
Federal	0	-20.81	-20.81
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>-44</b>	<b>-44</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §208.151 - Medical Assistance for Needy Persons (MO HealthNet)

Officials from the **Office of Administration (OA) - Commissioner's Office** state it is unknown at this time how the Alternatives-to-Abortion (A2A) program and the services rendered by A2A providers might be impacted by this proposal. It is assumed that the A2A providers would need to be informed of any legislative changes pertaining to health care and health insurance for pregnant women in order to assist them appropriately.

Officials from the **Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)** state:

#### §208.151.2(1) - Breast and Cervical Cancer

Effective July 1, 2015, women with breast or cervical cancer will be eligible for MO HealthNet (MHN) only if they do not have access to screening through employer-sponsored health insurance coverage or subsidized insurance coverage through the health care exchange. DSS estimates that no more than 18 eligibles will be affected by this provision, resulting in a savings in FY 16 and FY17. Most eligibles are below 100% of the Federal Poverty Level (FPL) and, therefore, not eligible for subsidized coverage under the health care exchanges. It is assumed that those individuals under 100% FPL do not have access to employer-sponsored care.

FY16 savings are estimated to be less than \$430,988 (Federal < \$319,664; GR< \$66,794; various Other State Funds < \$44,530); FY 17 savings are estimated to be less than \$449,090 (GR < \$69,600; Federal < \$333,090; various Other State Funds < \$46,400).

#### §208.151.2(2) - Pregnant Women

Effective July 1, 2015, pregnant women between 133% and 185% of the FPL will be eligible for MHN in the form of a premium subsidy to allow them to enroll in a plan offered by the health care exchange. A pregnant woman is eligible for a premium subsidy equal to the amount of the percentage of income required for premium payments or coinsurance to the pregnant women by federal rule.

This section does not apply to women who are covered by employer-sponsored health insurance or other private health insurance offered outside of or by a health care exchange and then become pregnant.

HWC:LR:OD

ASSUMPTION (continued)

DSS estimates 1,239 pregnant women will be eligible for MO HealthNet to pay an exchange premium subsidy and other related coinsurance/co-pays, resulting in a savings beginning in FY16. FY 16 savings are estimated to be \$10,602,984 (Federal \$6,689,953; GR \$2,347,819; various Other State Funds \$1,565,213); FY 17 savings are estimated to be \$11,048,310 (Federal \$6,970,931; GR \$2,446,427; various Other State Funds \$1,630,952).

§208.151.2(3) - Newborns

DSS - DFAS officials state for subsection 208.151.2(3) - Newborns, that effective October 1, 2020, coverage for infants under age one in families with income between 133% FPL and 185% FPL, as converted to the MAGI standard, will only be eligible for MHN if his or her parents do not have access to health insurance coverage in a health care exchange and the parents are not eligible for a premium subsidy for the child or family through the exchange because the parents have been determined to have access to affordable health insurance as defined by the exchange.

DSS estimates this provision may affect up to 1,054 infants under the age of one (this is the current infant population between 133% and 185% FPL). Program savings are not expected to occur until FY 21.

§208.151.2(4) - MO HealthNet Participants Receiving Blind Pension Benefits

Blind Pension eligibles and Ticket to Work eligibles with incomes up to and including 133% FPL shall continue to be eligible for MO HealthNet benefits. Eligibles in these categories with income greater than 133% FPL shall only be eligible for those MO HealthNet benefits they would otherwise be entitled to receive, including personal care assistance, that are not available under a qualified health plan.

1,135 of the 2,776 blind pension medical participants who have incomes over 133% FPL would only be eligible for a health care benefit including services not available under a Qualified Health Plan (personal care), resulting in a savings to the General Revenue Fund beginning FY16 of \$6,998,456; FY17 savings to GR of \$7,292,392.

821 of the 1,337 Ticket to Work participants have incomes over 133% FPL and would only be eligible for a health care benefit including services not available under a QHP (personal care), resulting in a savings beginning FY16 of \$7,638,395 (GR \$1,691,370; Other State Funds \$1,127,580; Federal \$4,819,445); and FY17 savings of \$7,959,208 (GR \$1,762,407; Other State Funds \$1,174,938; Federal \$5,021,862).

ASSUMPTION (continued)

§208.191- Eligibility Determinations for the Aged, Blind, and Disabled Under SSA 1634

Beginning July 1, 2015, the Department of Social Services shall base eligibility determinations for the aged, blind, and disabled on Social Security disability determinations. DSS must obtain an agreement with the Social Security Administration under Section 1634 of the federal Social Security Act, 42, U.S.C. Section 1383c.

The proposal appears to designate Missouri as a 1634 for purposes of administering the aged, blind and disabled (ABD) Medicaid program; however, law designating Missouri as a 209B state was not changed. If the intent is to change Missouri's designation from a 209B state to a 1634 state, the three most significant changes in Missouri's ABD program would be: 1) the elimination of the spenddown program; 2) a change in resource limits; and 3) a decrease in income eligibility to the Supplemental Security Income (SSI) standard. The fiscal impact of eliminating coverage for ABD individuals who qualify for coverage under Missouri's 209B designation but who would not qualify for coverage under a 1634 designation is unknown.

There will be some administrative savings from eliminating spenddown. The Family Support Division has 44 staff that work exclusively on spenddown cases (38 Eligibility Specialists, five Supervisors, and one Broad Band Manager I). The total annual payroll in FY 14 for the 44 staff is \$1,375,008. FY 16 savings of \$2,097,095 (GR \$1,105,169; Federal \$991,926) and FY 17 savings of \$2,118,065 (GR \$1,116,220; Federal \$1,001,845) result from eliminating this staff cost.

As a 1634 state, Missouri would continue to need a Medical Review Team (MRT) to process applications not processed in a timely manner by SSA. In FY13 the MRT costs were \$410,503 total funds (\$205,251 GR; \$205,252 Federal). The change in level of work for the MRT is unknown, but it is assumed that caseload would be less than today so savings are unknown < \$410,503 annually.

§208.631 – Changes to the Children's Health Insurance Program (CHIP) & Notification Requirements

Beginning October 1, 2020, a child eligible for the current Children's Health Insurance Plan (CHIP) shall remain eligible only if, in addition to other requirements, his or her parents do not have access to health insurance coverage for the child through their employment or through a health insurance plan in a health care exchange because the parents are not eligible for a premium subsidy for the child or family through the exchange.

DSS estimates that as many as 15,427 children could be affected. There is a potential for savings; however, the savings would not begin until the second quarter of FY20.

ASSUMPTION (continued)

§208.659 - Uninsured Women's Health Program

As a result of eliminating this program, there will be a savings beginning July 1, 2015; (FY16). DSS estimates 68,170 women are participating in the program today. It is estimate that about 15,000 of these women would be eligible for a premium subsidy under the exchange and will be required to have creditable coverage or be subject to the tax penalty. The remaining women have incomes between 19% FPL and 100% FPL and will not be eligible for a premium subsidy under the exchange nor are they eligible for Medicaid under Missouri's current eligibility guidelines. FY 16 savings are estimated to be \$9,663,537 (GR \$876,483; Other State Funds \$186,506; Federal \$8,600,548); FY 17 savings are estimated to be \$10,069,405 (GR \$913,295; Other State Funds \$194,339; Federal \$8,961,771).

Officials from the **OA - Information Technology Services Division (ITSD)** provide:

Section 208.151.2

Persons diagnosed with breast or cervical cancer shall no longer be eligible for Mo HealthNet benefits except for those who do not have access to employer-sponsored health insurance coverage or subsidized insurance coverage through an exchange whose income is between 100% and 200% of the Federal Poverty Level (FPL) as converted to the MAGI (Modified Adjusted Gross Income) equivalent net income standard.

This section pays Pregnant Women with income between 133% and 185% of the FPL as converted to the MAGI equivalent net income standard a subsidy in an amount equal to the premium and co-pays for a health plan they purchase on the Federally-facilitated marketplace.

ITSD Impact:

1. Requires processing of two new Medicaid Eligibility (ME) Codes.
2. Process commercial payments in a manner similar to what is currently done for the Health Insurance Payment Program (HIPP). This applies to a population estimated at 20,000 individuals.
3. This impacted MPW (Medicaid Pregnant Women) group enrolls through the Federally-facilitated Marketplace. These interfaces would exist through MEDES (Missouri Eligibility Determination and Enrollment System) and the Federal Data Services Hub.

ASSUMPTION (continued)

Effort and Cost for ITSD:

4. MO HealthNet Systems - Add two Medicaid Eligibility (ME) codes to table that determine match code. Requires one CITS (Computer Information Technology Specialist) I at \$25.05 per hour for 8 hours of analysis, coding and unit test plus 8 hours for systems and user acceptance testing. (16 hours X \$25.05/hr = \$401 rounded).
5. MO HealthNet Systems – Create new COBOL program to create remittance advises (RA's). Can be modeled from FMSHI707 reducing time to four hours for analysis and coding and four hours for testing for one IT-III at a rate of \$19.73 per hour . (16 hours X \$19.73 = \$316 rounded).
6. DBA Team – Create new database to store the direct deposit information. This can be modeled after the existing HIPP direct deposit database which reduces effort to 24 hours for one CITS I at a rate of \$25.05 per hour (24 hours X \$25.05/hr = \$601 rounded).
7. MO HealthNet Systems – Create new job/proc/program to process and store direct deposit information in the database. Requires one IT-IV at a rate of \$22.34 per hour. Estimating 16 hours for analysis, code and unit test plus 16 hours for system and user acceptance testing, including time to test with mailroom to ensure the aims marks line up they can merge notices with checks. (32 hours X \$22.34 = \$715 rounded)
8. State Data Center costs are anticipated to be about 13 times higher than the average \$68 per month for processing HIPP (for an estimated 20,000 people versus the 1,532 currently enrolled in HIPP). Data Center costs include CPU, storage and print expenses. (13 X \$68/month = \$884 per month or \$10,608 per year).

**Total DDI Hours: 88 hours**

**Total DDI Cost: \$2,033 (rounded)**

**Annual Data Center Charges: \$10,608**

Development costs would occur in FY15 and data center costs would occur for the last half of FY15 and for full years thereafter.

**GR Expense for FY15**

DDI:  $10\% \times \$2,032.56 = \$204$  (rounded)

SDC:  $10\% \times 0.5 \text{ years} \times \$10,608 = \$530$  (rounded)

Total GR Expense = \$734 (rounded)

ASSUMPTION (continued)

**Federal Expense for FY15**

DDI:  $90\% \times 2,032.56 = \$1,829$  (rounded)

SDC:  $90\% \times 0.5 \text{ years} \times \$10,608 = \$4,774$  (rounded)

Total Federal Expense =  $\$6,603$  (rounded)

**GR Expense for FY16 and thereafter**

SDC:  $10\% \times \$10,608 = \$1,061$  (rounded)

**Federal Expense for FY16 and thereafter**

SDC:  $90\% \times \$10,608 = \$9,547$  (rounded)

**MMIS changes:** Unknown > \$500,000

Total FY 15 costs are estimated to be Unknown, greater than \$507,337 (GR > \$250,734; Federal > \$256,603); total FY 16 and FY 17 are estimated to be \$10,608 (GR \$1,061; Federal \$9,547).

Officials from the **Department of Health and Senior Services** defer to the Department of Social Services to calculate the fiscal impact associated with the proposed legislation.

Officials from the **Department of Mental Health (DMH)** assume costs and/or cost savings from the changes resulting from this proposal will be included in the Department of Social Services' costs and/or cost savings to the MO HealthNet program.

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized 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 within 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.

Officials at the **Department of Insurance, Financial Institutions and Professional Registration, the Joint Committee on Administrative Rules, Legislative Research - Revisor of Statutes, the Department of Revenue, and the OA - Division of Budget and Planning** each assume the proposal would not fiscally impact their respective agencies.



<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Savings - DSS (\$208.151)</u>			
Beast and Cervical Cancer	\$0	Less than \$66,794	Less than \$69,600
Pregnant Women	\$0	\$2,347,819	\$2,446,427
1135 Blind Pensioners	\$0	\$6,998,456	\$7,292,392
821 Ticket to Work	<u>\$0</u>	<u>\$1,691,370</u>	<u>\$1,762,407</u>
Total <u>Savings - DSS</u>	<u>\$0</u>	<u>Less than</u> <u>\$11,104,439</u>	<u>Less than</u> <u>\$11,570,826</u>
<u>Savings - DSS (\$208.191)</u>			
Participant savings	\$0	Unknown	Unknown
Reduction in MRT costs	\$0	Less than \$205,251	Less than \$205,251
Reduction in DFS staffing levels due to spenddown elimination	<u>\$0</u>	<u>\$1,105,169</u>	<u>\$1,116,220</u>
Total <u>Savings - DSS</u>	<u>\$0</u>	<u>Greater than</u> <u>\$1,105,169</u>	<u>Greater than</u> <u>\$1,116,220</u>
FTE Change - DSS	0 FTE	(23.19 FTE)	(23.19 FTE)
<u>Savings - DSS (\$208.659)</u>			
Women's Health Benefits	\$0	\$876,483	\$913,295
<u>Costs - OA (\$208.151)</u>			
A2A program services	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
<u>Costs - OA-ITSD (\$208.151)</u>			
System programming costs	(Unknown, <u>greater than</u> <u>\$250,734</u> )	<u>(\$1,061)</u>	<u>(\$1,061)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>			
	<b><u>(Unknown, greater than \$250,734</u></b>	<b><u>Could exceed \$13,085,030</u></b>	<b><u>Could exceed \$13,599,280</u></b>
Estimated Net FTE Change on the General Revenue Fund	0 FTE	(23.19 FTE)	(23.19 FTE)

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
	(10 Mo.)		
<b>VARIOUS OTHER STATE FUNDS</b>			
<u>Savings - DSS (\$208.151)</u>			
Beast and Cervical Cancer	\$0	Less than \$44,530	Less than \$46,400
Pregnant Women	\$0	\$1,565,213	\$1,630,952
Ticket to Work	<u>\$0</u>	<u>\$1,127,580</u>	<u>\$1,174,938</u>
Total <u>Savings - DSS</u>	<u>\$0</u>	<u>Less than</u> <u>\$2,737,323</u>	<u>Less than</u> <u>\$2,852,290</u>
 <u>Savings - DSS (\$208.659)</u>			
Women's Health Benefits	<u>\$0</u>	<u>\$186,506</u>	<u>\$194,339</u>
 <b>ESTIMATED NET EFFECT ON VARIOUS OTHER STATE FUNDS</b>			
	<u>\$0</u>	<u>Less than</u> <u>\$2,923,829</u>	<u>Less than</u> <u>\$3,046,629</u>
 <b>FEDERAL FUNDS</b>			
<u>Income - OA-ITSD (\$208.151)</u>			
Programming reimbursements	Unknown, greater than \$256,603	\$9,547	\$9,547
 <u>Savings - DSS (\$208.151)</u>			
Reduction in program expenditures for Breast and Cervical Cancer program	\$0	Less than \$319,664	Less than \$333,090
Reduction in Pregnant Women program expenditures	\$0	\$6,689,953	\$6,970,931
821 Ticket to Work program expenditures	<u>\$0</u>	<u>\$4,819,445</u>	<u>\$5,021,862</u>
Total <u>Savings - DSS</u>	<u>\$0</u>	<u>Less than</u> <u>\$11,829,062</u>	<u>Less than</u> <u>\$12,325,883</u>

<u>FISCAL IMPACT - State Government</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
	<u>(10 Mo.)</u>		
<b>FEDERAL FUNDS (cont.)</b>			
<u>Savings - DSS (§208.191)</u>			
Participant savings	\$0	Unknown	Unknown
Reduction in MRT costs	\$0	Less than \$205,252	Less than \$205,252
Reduction in DFS staffing expenditures	\$0	\$991,926	\$1,001,845
Total <u>Savings</u> - DSS	<u>\$0</u>	<u>More than</u> <u>\$991,926</u>	<u>More than</u> <u>\$1,001,845</u>
Total <u>All</u> Income and Savings	<u>Unknown,</u> <u>greater than</u> <u>\$256,603</u>	<u>More than</u> <u>\$12,510,871</u>	<u>More than</u> <u>\$13,004,185</u>
<u>Costs - OA-ITSD (§208.151)</u>			
Programming expenditures	(Unknown, greater than \$256,603)	(\$9,547)	(\$9,547)
<u>Loss - DSS (§208.151)</u>			
Reduction in program reimbursements for Breast and Cervical Cancer program	\$0	(Less than \$319,664)	(Less than \$333,090)
Reduction in program reimbursements for Pregnant Women program	\$0	(\$6,689,953)	(\$6,970,931)
Reduction in program reimbursements for the 821 Ticket to Work program	\$0	(\$4,819,445)	(\$5,021,862)
Total <u>Loss</u> - DSS	<u>\$0</u>	<u>(Less than</u> <u>\$11,829,062)</u>	<u>(Less than</u> <u>\$12,325,883)</u>

<u>FISCAL IMPACT - State Government</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
	<u>(10 Mo.)</u>		
<b>FEDERAL FUNDS (cont.)</b>			
<u>Loss - DSS (§208.191)</u>			
Participant savings	\$0	(Unknown)	(Unknown)
Reduction in MRT costs	\$0	(Less than \$205,252)	(Less than \$205,252)
Reduction in DFS staffing expenditure reimbursements	\$0	(\$991,926)	(\$1,001,845)
Total <u>Loss</u> - DSS	<u>\$0</u>	<u>(More than \$991,926)</u>	<u>(More than \$1,001,845)</u>
FTE Change - DSS	0 FTE	-20.81 FTE	20.81 FTE
Total <u>All</u> Costs and Losses	<u>(Unknown, greater than \$256,603)</u>	<u>(More than \$12,510,871)</u>	<u>(More than \$13,004,185)</u>

**ESTIMATED NET EFFECT ON  
 FEDERAL FUNDS** **\$0** **\$0** **\$0**

Estimated Net FTE Change on Federal Funds	0 FTE	(20.81 FTE)	(20.81 FTE)
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
	<u>(10 Mo.)</u>		
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

This proposal may have an impact on small business health care providers. The fiscal impact is unknown.

FISCAL DESCRIPTION

This proposal changes the laws regarding MO HealthNet eligibility and benefits.

HWC:LR:OD

FISCAL DESCRIPTION (continued)

Beginning July 1, 2015, the proposal: (1) Specifies that any person deemed eligible due to a diagnosis of breast or cervical cancer will no longer be eligible for MO HealthNet benefits unless the individual does not have access to employer-sponsored health insurance coverage or subsidized insurance coverage through an exchange at any point after diagnosis and the individual's income is between 100% and 200% of the federal poverty level (FPL) as converted to the modified adjusted gross income (MAGI) equivalent net income standard; (2) Requires pregnant women whose income is between 133% and 185% of the FPL as converted to the MAGI equivalent net income standard to be eligible for MO HealthNet in the form of a premium subsidy as established by Department of Social Services rule in order to enroll in a health insurance plan offered by a health care exchange. The women must be directed to choose an exchange plan and must be eligible for a premium subsidy equal to the amount of the percentage of income required for premium payments or coinsurance by federal rule; (3) Limits, beginning October 1, 2020, the eligibility of infants under one year of age to those infants whose family income does not exceed 185% of the FPL as converted to the MAGI equivalent net income standard. Infants under one year of age born to women covered under the provisions in (2) with a family income between 133% and 185% of the FPL as converted to the MAGI equivalent net income standard must only be eligible if, in addition to the other requirements, the infant's parents do not have access to health insurance coverage for the child through a health insurance plan in a health care exchange and the parents are not eligible for a premium subsidy for the child or family through the exchange because the parents have been determined to have access to affordable health insurance as defined by the exchange; and (4) Limits the eligibility of Blind Pension Fund recipients and Ticket to Work Health Assurance Program participants to those individuals with income up to and including 133% of the FPL as converted to the MAGI equivalent net income standard. Any individual receiving blind pension benefits with income greater than 133% of the FPL as converted to the MAGI equivalent net income standard must only be eligible for those MO HealthNet benefits they would otherwise be eligible to receive, including personal care assistance services, that are not available under a qualified health plan as defined in 42 U.S.C. Section 18021(a)(1). These eligibility changes are prohibited from occurring unless and until there are federal health insurance premium tax credits available to persons through the purchase of a health insurance plan in a health care exchange, whether federally facilitated, state-based, or operated on a partnership basis. The Director of the Department of Revenue must certify to the Director of the Department of Social Services that health insurance premium tax credits are available, and the Director of the Department of Social Services must notify the Revisor of Statutes.

The Department of Social Services must obtain an agreement with the federal Social Security Administration under Section 1634 of the federal Social Security Act and, beginning July 1, 2015, Medicaid eligibility for individuals who are aged, blind, or disabled must be determined based on the provisions of that section.

FISCAL DESCRIPTION (continued)

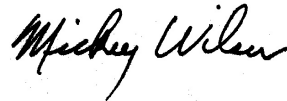
Beginning October 1, 2020, a child eligible for the current Children's Health Insurance Program (CHIP) must only remain eligible if, in addition to other requirements, his or her parents do not have access to health insurance coverage for the child through their employment or through a health insurance plan in a health care exchange because the parents are not eligible for a premium subsidy for the child or family through the exchange. This change cannot go into effect unless and until federal health insurance premium tax credits are available for children and family coverage to purchase a health insurance plan from a health care exchange and the credits are available for six months prior to the discontinuation of CHIP eligibility. The department must inform participants of the possibility of insurance coverage via the purchase of a subsidized health insurance plan available through a health care exchange six months before CHIP coverage is discontinued.

Beginning July 1, 2015, the provisions regarding the Uninsured Women's Health Program will no longer be in effect. The change in eligibility cannot take place unless and until, for a six-month period preceding the discontinuance of benefits, there are federal health insurance premium tax credits available for children and family coverage through the purchase a health insurance plan in a health care exchange and notice has been provided to the Revisor of Statutes. The department must inform participants of the possibility of insurance coverage via the purchase of a subsidized health insurance plan through a health exchange.

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

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Health and Senior Services  
Department of Revenue  
Department of Social Services  
Joint Commission on Administrative Rules  
Legislative Research  
Office of Administration  
    Division of Budget and Planning  
    Commissioner's Office  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
March 24, 2014

Ross Strobe  
Assistant Director  
March 24, 2014