

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5333-04  
Bill No.: HCS for HB 1856  
Subject: Medicaid/MO HealthNet; Public Assistance; Social Services Department; Food; Family Law  
Type: Original  
Date: March 21, 2018

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$501,824)	(\$9,838,665) to \$20,810,791	(\$9,883,161) to \$21,723,152
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$501,824)</b>	<b>(\$9,838,665) to \$20,810,791</b>	<b>(\$9,883,161) to \$21,723,152</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 16 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 and savings, costs and losses could exceed \$48.5 million annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue	4.18	8.45 to 14.18	8.45 to 14.18
Federal	3.32	5.05 to 7.32	5.05 to 7.32
<b>Total Estimated Net Effect on FTE</b>	<b>7.5</b>	<b>13.5 to 21.5</b>	<b>13.5 to 21.5</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DSS)** state Chapter 208, RSMo, is amended by adding two new sections, to be known as sections 208.185 and 208.248, which implement a weekly 20 hour work requirement into MO HealthNet (MHN) programs and prohibits Supplemental Nutrition Program (SNAP) participation for people who are delinquent in paying child support.

#### §208.185 - Work Requirements & MHN Program Participation

Participants not meeting an exemption are ineligible for MHN unless they are working, participating in a work or workfare program, volunteering, or any combination of work activities for at least 20 hours per week averaged monthly.

**Family Support Division (FSD)** officials state the FSD determined the estimate of the population affected by making the following assumptions:

- Persons who earn a monthly amount equivalent to 80 hours per month at \$7.85/hour minimum wage, or \$628 ( $7.85 \times 80 = 628$ ) per month will be considered to have met the work hours requirement.
- "Work and community engagement requirements" will include unsubsidized or subsidized employment in the private or public sector, job search/job readiness, community service, provision of child care services to participants in a community service program, as well as unpaid educational activities such as vocational education and training, satisfactory attendance in high school/GED, or those students enrolled at least half-time in any recognized technical school or institution of higher education.
- Following the same requirements as the Core Unpaid Employment Activities for Temporary Assistance (TA), MO HealthNet (MHN) work requirement activities will include Alternative Work Experience Program (AWEP) / Community Work Experience Program (CWEP), self-employment, on-the-job training, in-kind work or volunteering for unpaid work designed to improve employability when the participant is not otherwise able to obtain sufficient or suitable employment.
- Persons who are medically certified as physically or mentally unfit for employment include all of the MO HealthNet for Aged, Blind and Disabled population who have been found to meet disability criteria, limiting their ability to work for at least one year as well as the Breast and Cervical Cancer Treatment participants.

ASSUMPTION (continued)

- A parent or caretaker of a child under age one is an adult in the Modified Adjusted Gross Income (MAGI) household, composed using MAGI methodologies per 42 CFR 435.603(f), will be exempt.
- Extended Women's Health Services participants are exempt from the requirements as they would have a child in the household under the age of one.
- A primary caregiver of a dependent child or adult includes all single adult households using MAGI methodologies per 42 CFR 435.603(f).
- Following the same requirements as the Supplemental Nutrition Assistance Program (SNAP), persons receiving/complying with unemployment compensation requirements will be exempt.
- Individuals must meet the same eligibility criteria for prior quarter eligibility as they do for the month of application for ongoing benefits and would have to meet the 80 hour work requirement in the three months prior to application.
- Individuals receiving Transitional MO HealthNet for Families would be exempt from the work requirement and the eligibility requirements for this program would be unchanged.
- Work requirements will not be mandated for persons in the Uninsured Women's Health Services program, as the program is administered through Department of Health and Senior Services.
- Supplemental Nutritional Assistance Program (SNAP) and Temporary Assistance (TA) participants who are exempt from work requirements are also exempt from MO HealthNet work requirements and include all exemptions, including those that do not align with the provisions of this bill i.e. work requirements for TA and SNAP are only imposed through age 59.
- Support services necessary for compliance with the work requirement will align with current support services provided to TA recipients.

Based on the assumptions above, FSD determined there are an estimated 35,706 individuals who would be mandated to comply with work requirements if the provisions of this bill are implemented. FSD determined these individuals by identifying the current populations of MO HealthNet for Families that are age 19 to 64 and do not meet any exemptions outlined in this

ASSUMPTION (continued)

legislation. Due to system limitations and other variables, the FSD does not have sound data to compile precise numbers, including any individuals that would qualify for the department allowable exemptions or good cause outlined in 208.185.3, for projecting the affected populations.

The FSD estimates 0 - 24,536 individuals could lose MO HealthNet eligibility for noncompliance. FSD determined the number of individuals who could lose eligibility in the following manner:

FSD determined that in November 2017, there were 35,706 individuals currently receiving MO HealthNet who would not meet an exemption that would be mandated to comply with work requirements. Of the 35,706 that would be mandated to comply with work requirements, 2,991 are already meeting the work requirement. Of the 35,706 individuals that would be mandated to comply with work requirements, 32,715 (35,706 - 2,991) are not currently meeting the work requirement.

At this time, it is unknown how many individuals who are not currently meeting the work requirement will comply. The compliance rate will be dependent on what requirements will be allowed through a waiver from Centers for Medicare and Medicaid Services (CMS).

Because it is unknown how many will comply and what the cost will be to administer a work program, FSD estimates that 25%-75% of the 35,715 individuals would comply and the cost to administer a work program will be approximately \$1,000 per participant per year through a vendor contract. The FSD assumes that Program Development Specialist (PDS) staff will administer the work program for the FSD and monitor vendor contracts, with an average caseload of 2,000 individuals per PDS.

**25% Compliance:**

If 25% or 8,179 ( $32,715 * 0.25 = 8,178.75$ , rounded up) individuals who are not currently meeting the work requirement comply, FSD estimates that 24,536 ( $32,715 * 0.75 = 24,536.25$ , rounded down) individuals will lose eligibility for MO HealthNet if the provisions of this bill are enacted.

FSD estimates the total expenditures will be \$8,179,000 ( $8,179 * \$1,000$ ) to administer the work program. FSD estimates an additional 5 FTE will be needed, including 4 PDS ( $8,179 / 2,000 = 4.08$ , rounded down) and 1 Social Services Manager Band 1 (10 PDS per manager ( $4 / 10 = 0.4$ , rounded up)).

ASSUMPTION (continued)

**50% Compliance:**

If 50% or 16,358 ( $32,715 * 0.50 = 16,357.5$ , rounded up) individuals who are not currently meeting the work requirement comply, FSD estimates that 16,357 ( $32,715 * 0.50 = 16,357.5$ , rounded down) will lose eligibility for MO HealthNet if the provisions of this bill are enacted.

FSD estimates the total expenditures will be \$16,358,000 ( $16,358 * \$1,000$ ) to administer the work program. FSD estimates an additional 9 FTE will be needed, including 8 PDS ( $16,357/2,000 = 8.17$ , rounded down) and 1 Social Services Manager Band 1 (10 PDS per manager ( $8/10 = .8$ , rounded up)).

**75% Compliance:**

If 75% or 24,536 ( $32,715 * 0.75 = 24,536.25$  rounded down) individuals who are not currently meeting the work requirement comply, FSD estimates that 8,179 ( $32,715 * 0.25 = 8,178.75$ , rounded up) individuals will lose eligibility for MO HealthNet if the provisions of this bill are enacted.

FSD estimates the total expenditures will be \$24,536,000 ( $24,536 * \$1,000$ ) to administer the work program. FSD estimates an additional 13 FTE will be needed, including 12 PDS ( $24,536/2,000 = 12.26$ , rounded down) and 1 Social Service Manager Band 1 (10 PDS per manager ( $12/10 = 1.2$ , rounded down)).

Additional system programming will be needed to integrate work program compliance information, program sanctions, and alert staff when participants become age eligible and/or ineligible for work requirements so that a review for other possible exemptions can be made. The FSD defers to the Office of Administration (OA), Information Technology Services Division (ITSD) for any costs associated with system changes.

On January 11, 2018, CMS released new policy guidance for states to test community engagement for able-bodied adults through 1115 Demonstration Waivers. This guidance supports the alignment of Medicaid work requirements with those of TA and Food Stamps. CMS suggests that states follow TA and Food Stamp work requirement programs when considering exempted populations, protections for the disabled, allowable activities, enrollee reporting requirements, and the availability of transportation and child care for participants. With such an alignment, CMS states that participants and exempt persons in TA and Food Stamp work programs should automatically be considered as complying with Medicaid work requirements.

The DSS would request a waiver from CMS to implement the provisions of this legislation. FSD estimates that it would take approximately a year to obtain CMS approval of the waiver. Due to the time it takes to obtain the waiver, implementation of the work requirements would not begin until July 1, 2019.

ASSUMPTION (continued)

**Division of Legal Services (DLS)** officials state the DLS will advise in rule making; this duty can be done with existing resources.

§208.248 - Child support & SNAP Participation

**FSD** officials state section 208.248 will also impact the FSD. This section states that an individual shall not be eligible to participate in the supplemental nutrition assistance program (SNAP) during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

To calculate the impact to people receiving SNAP, FSD defines delinquent as any individual in the Missouri Automated Child Support System on a IV-D case who has an arrearage due under a support order for a child of the individual.

The FSD child support program excluded individuals with an active income withholding order or an active payment agreement where a payment distributed within the past 30 days.

In November 2017 there were 91,007 delinquent child support cases. Of these, there were 11,885 households receiving SNAP benefits.

The average SNAP benefits per person per month are \$119.61. If 11,885 individuals lose SNAP eligibility, federal SNAP benefits will decrease by \$1,421,565 per month (11,885 \* \$119.61).

FSD Income Maintenance (IM) assumes FSD Child Support (CS) will define delinquent and provide IM a daily report of delinquent obligors who do not meet good cause. IM will then take action to either close the SNAP case or remove the individual from the active SNAP case.

When FSD IM is informed via the daily report that a child support obligor is delinquent, it can take from 20 - 90 days to impose the disqualification. 7 CFR 273.13 requires FSD IM to give a ten day advanced notice, which includes hearing rights, when decreasing or closing any SNAP case. The federal Food and Nutrition Services (FNS) Handbook 501 sections 5160 and 5161 state that the entire process from the date the adverse action notice is sent until action is taken shall not exceed twenty days. However, before imposing the disqualification, FSD IM would have to manually compare each individual to the daily report received from FSD CS in order to determine if the individual remains delinquent. If the individual has requested a hearing, FSD IM cannot impose the disqualification until a hearing decision has been made, which could take up to 90 days 7 CFR 273.15 (g) Fair Hearings.

ASSUMPTION (continued)

FSD assumes manual tracking and budget adjustments due to the sanctions will increase work processing for current staff. FSD will develop processing procedures to implement this new requirement; however, will need 5 full-time Family Support Eligibility Specialists (\$30,576 each, annually), funded at the IM Field GR/Federal split of 53% / 47%. They will start in FY 19, with funding for 10 months.

The FSD assumes OA-ITSD will include the system programming costs for reports that will be generated as well as generated notices needed to implement provisions of this bill in their response.

Because SNAP benefits are 100% federally funded, FSD will not experience a fiscal impact due to any reduction in SNAP benefits that may result from any delinquent child support orders.

Therefore, **the fiscal impact to IM as a result of section 208.248 is the addition of the 5 full-time staff.**

**Child Support (CS):** 208.248. 1 states that an individual shall not be eligible to participate in the supplemental nutrition assistance program during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual. Since the statute does not define what constitutes an individual to be delinquent in any payment, the Family Support Division (FSD) child support program must promulgate a regulation that defines what constitutes an individual to be delinquent in any payment.

For purposes of determining the fiscal impact for this bill, the FSD child support program defined delinquent as any individual in the Missouri Automated Child Support System on an IV-D case who has an arrearage due under a support order for a child of the individual. The FSD child support program excluded individuals with an active income withholding order or an active payment agreement where a payment distributed within the past 30 days.

208.248.2(3) requires exclusion of individuals that DSS determines has good cause for non-support. Since the statute does not define good cause for non-support, the child support program must promulgate a regulation that defines "good cause" as it applies to obligors. 13 CSR 30-8.010 (FSD's existing regulation related to cooperation requirements) addresses how an applicant for or recipient of public assistance may claim good cause for failure to cooperate with the Family Support Division, child support program. 13 CSR 30-8.010 does not address the circumstances of when an individual who fails to make child support payments can claim good cause.



ASSUMPTION (continued)

Programming changes will be necessary to develop a monthly file to report delinquent obligors to the supplemental nutrition assistance program. Programming will also be needed to add a "good cause" field for obligors to the Missouri Automated Child Support System (MACSS). The FSD child support program defers to ITSD for these programming costs.

**The CS program has no fiscal impact** from this proposed bill.

The **Division of Legal Services (DLS)** will see an impact from SNAP exclusions. Since the statute does not define good cause for non-support, DLS will have to advise in promulgating a regulation that defines "good cause" as it applies to obligors. 13 CSR 30-8.010 (FSD's existing regulation related to cooperation requirements) addresses how an applicant for or recipient of public assistance may claim good cause for failure to cooperate with the Family Support Division, child support program. 13 CSR 30-8.010 does not address the circumstances of when an individual who fails to make child support payments can claim good cause.

It takes 3-6 months for an individual to be disqualified. The individual will be required to reapply once the disqualification has expired. FSD estimates approximately 10% increase in hearing request a year, with the implementation of this bill.

In FY17, approximately 2,200 SNAP hearings were conducted. FSD assumes that approximately 10% of the Head- Of-Household (HOH) or individuals (total of 11,885 X 10% = 1,186) who are disqualified from SNAP benefits, will request hearings which will increase hearings by 1,100 (total 2,200 + 1,100 = 3,300 hearings annually).

In FY 17, the Hearing Unit handled 10,076 requests for benefit hearings. There are 18.5 FTE to conduct the hearings. Each Benefit Hearing Officer handled 544 hearings. An increase of 1,100 SNAP hearings in a year would require 2.5 additional FTE to conduct the additional hearings ( $1,100/544=2.02$  rounded to 2.5).

The FSD assumes the projected FSD administrative costs will be offset by the savings to overall Medicaid coverage costs.

For the Medicaid savings, the number of people that would be affected by this legislation would need to be calculated using a range of individuals. Approximately 35,706 individuals would be required to comply with work requirements.

Of the 35,706 individuals, FSD estimated that 2,991 individuals are already meeting the requirements, leaving up to 32,715 (35,706 - 2,991) that could now be ineligible/lose coverage for MO HealthNet. Since MO HealthNet would be losing participants, or no longer signing up

ASSUMPTION (continued)

certain new applicants, MHD assumes a positive fiscal impact with fewer people to cover. The FSD determine that all of these individuals would fall under the MO HealthNet for Families (MHF) category. For MHF, MHD took an average of the payments made for these individuals through the Managed Care program to find a per member per month average.

MHD will assume that any savings will be a range for participants who are not currently meeting the work requirements. Because it is unknown how many will comply, MHD will use a range of 25%-75% of the 32,715 individuals to gather an approximate number of individuals that would comply with this legislation. A 3.8% inflation rate was used for FY21. An annual savings is estimated to be as follows:

**FY19 - No savings assumed in FY19 due to the time it takes to be granted the waiver and implementation of the work requirements (savings will begin July 1, 2019);**  
**FY20 - Total: \$26,244,464 to \$78,733,391 savings (GR \$9,132,286 to \$27,396,858; FF \$17,112,178 to \$51,336,533);**  
**FY21 - Total: \$27,241,753 to \$81,725,260 savings (GR: \$9,479,313 to \$28,437,939; FF \$17,762,440 to \$53,287,321)**

The Grand total has the highest cost savings with 25% compliance and 75% non-compliance (more participants will lose benefits as a result of non-compliance) ; the lowest cost savings occurs with 25% non-compliance and 75% compliance (more participants keep benefits).

**FY 19: Cost of \$449,398 (GR \$249,486; FF: \$199,912) (Waiver and implementation)**  
**FY 20: Cost of \$561,907 to savings of \$69,352,585 (GR range of cost of \$9,850,549 to savings of \$20,803,599; FF range of savings of \$9,288,642 to \$48,548,985);**  
**FY 21: Cost of \$116,860 to savings of \$72,161,956 (GR range of cost of \$9,895,340 to savings of \$21,715,750; FF range of savings of \$9,778,481 to \$50,446,206).**

**Oversight** notes the DSS used a lease cost for the additional rental space needed for 13.5 to 21.5 new FTE of \$21 per square foot. This is an average of the lease rates for the various regions in the state. Since it is unknown where the additional FTE will be located, Oversight is not adjusting the average lease rate used by DSS. In addition, Oversight notes, based on responses from the Office of Administration (OA), Division of Facilities Management, Design and Construction (FMDC) for proposals from the current session that result in an agency needing additional rental space, costs include building lease costs, fuel and utilities, and janitorial services. Therefore, Oversight will reduce DSS' estimated lease expenses for added utilities and janitorial services costs.

ASSUMPTION (continued)

**DSS** officials provided the response for the OA, ITSD/DSS. **OA, ITSD/DSS** officials state the Family Assistance Management Information System (FAMIS) will need to create new screens to capture the necessary data elements to determine eligibility. A new eligibility determination factor will need to be created. The new determination factor will result in new forms or changes to existing forms as well as new reports. In addition, several new batch jobs will need to be created.

ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour. It is estimated changes to FAMIS will require 1,080 IT consultant contract hours (\$81,000). These one-time costs will be split 53% General Revenue/47% Federal Funds.

The proposed legislation would create an additional eligibility factor in the form of work requirements for adults that may receive Medicaid coverage under the Medical Assistance for Families (MAF) program. Design, development and implementation activities are currently in progress via contracts with IT services vendors. It is not possible to determine approximate cost at this time but based on contracted amounts for other Missouri Eligibility Determination and Enrollment System (MEDES) activities yielding a similar amount of functionality, the cost will be an unknown amount in excess of \$2,000,000; it is assumed this cost will be split 10% General Revenue/90% Federal Funds.

In addition, changes prohibiting an individual from participating in the supplemental nutrition assistance program if he or she is delinquent in child support would require system changes estimated to cost \$24,786 (\$12,393 GR; \$12,393 Federal).

In summary, OA, ITSD/DSS estimates total one-time system modification costs of \$2,105,786 (\$255,323 GR; \$1,850,463 FF) in FY19.

Officials from the **Department of Mental Health (DMH)** assume that the work requirements in this legislation exclude DMH populations because a MO HealthNet participant that is considered medically frail is exempt.

Medically frail, including individuals: with disabling mental disorders; with chronic substance abuse disorders; with serious and complex medical conditions; with a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living; or with a disability determination based on criteria under the Social Security Act, including a current determination by the Department of Social Services that he or she is permanently or totally disabled;

ASSUMPTION (continued)

The exemptions to the work and community engagement requirements appear to carve out the DMH populations. Therefore, the DMH assumes the proposal will have no fiscal impact to their organization.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Office of the 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 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 \$2,500. 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 the 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.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

**Oversight** notes, for fiscal note purposes regarding the DSS fiscal impact of this proposal, the greater the number of MO HealthNet recipients who are not compliant with the provisions of this proposal, the greater the reduction in MO HealthNet costs (savings) and the lower the costs incurred by FSD because fewer FTE will be needed. If a lower percentage of MO HealthNet participants are not compliant, FSD will be required to hire a greater number of FTE to perform the duties of monitoring for compliance and fewer participants will lose MO HealthNet benefits, thereby reducing MO HealthNet savings. For this fiscal note Oversight will subtract lower costs from higher savings and subtract higher costs from lower savings to provide the fiscal impact range.

<u>FISCAL IMPACT - State Government</u>	FY 2019	FY 2020	FY 2021
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Savings - DSS, MHD</u>			
Reduction in program costs	\$0	\$9,132,286 to \$27,396,858	\$9,479,313 to \$28,437,939
<u>Costs - DSS, FSD &amp; DLS</u>			
Personal service	(\$119,002)	(\$328,331 to \$564,929)	(\$331,614 to \$570,578)
Fringe benefits	(\$72,653)	(\$188,306 to \$319,938)	(\$189,281 to \$321,616)
Equipment and expense	(\$54,846)	(\$108,779 to \$204,861)	(\$84,225 to \$142,026)
Contract costs	<u>\$0</u>	<u>(\$5,960,651 to \$17,881,223)</u>	<u>(\$6,109,667 to \$18,328,254)</u>
Total <u>Costs</u> - DSS, FSD & DLS	<u>(\$246,501)</u>	<u>(\$6,586,067 to \$18,970,951)</u>	<u>(\$6,714,787 to \$19,362,474)</u>
FTE Change - DSS, FSD & DLS	4.18 FTE	8.45 to 14.18 FTE	8.45 to 14.18 FTE
<u>Costs - OA, ITSD</u>			
System updates to FAMIS & MEDES	<u>(\$255,323)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>			
	<b><u>(\$501,824)</u></b>	<b><u>(\$9,838,665) to \$20,810,791</u></b>	<b><u>(\$9,883,161) to \$21,723,152</u></b>
Estimated Net FTE Change on the General Revenue Fund	4.18 FTE	8.45 to 14.18 FTE	8.45 to 14.18 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>FEDERAL FUNDS</b>			
<u>Income - OA, ITSD</u>			
Reimbursements for FAMIS & MEDES system updates	\$1,850,463	\$0	\$0
<u>Income - DSS, FSD &amp; DLS</u>			
Increase in program reimbursements	\$197,530	\$2,783,187 to \$7,816,818)	\$2,836,647 to \$7,977,536
<u>Savings - DSS, MHD</u>			
Reduction in program expenditures	\$0	\$17,112,178 to \$51,336,533	\$17,762,440 to \$53,287,321
<u>Costs - OA, ITSD</u>			
FAMIS & MEDES system updates	(\$1,850,463)	\$0	\$0
<u>Costs - DSS, FSD &amp; DLS</u>			
Personal service	(\$94,198)	(\$188,999 to \$285,169)	(\$190,890 to \$288,021)
Fringe benefits	(\$58,093)	(\$110,979 to \$164,483)	(\$111,540 to \$165,330)
Equipment and expense	(\$45,239)	(\$60,385 to \$98,989)	(\$50,822 to \$74,304)
Contract costs	<u>\$0</u>	<u>(\$2,422,824 to \$7,268,177)</u>	<u>(\$2,483,395 to \$7,449,881)</u>
Total <u>Costs</u> - DSS, FSD & DLS	<u>(\$197,530)</u>	<u>(\$2,783,187 to \$7,816,818)</u>	<u>(\$2,836,647 to \$7,977,536)</u>
FTE Change - DSS, FSD & DLS	3.32 FTE	5.05 to 7.32 FTE	5.05 to 7.32 FTE
<u>Loss - DSS, MHD</u>			
Reduction in program reimbursements	<u>\$0</u>	<u>(\$17,112,178 to \$51,336,533)</u>	<u>(\$17,762,440 to \$53,287,321)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change on Federal Funds	3.32 FTE	5.05 to 7.32 FTE	5.05 to 7.32 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill requires a MO HealthNet participant to work, participate in a work program, volunteer, or participate in a workfare program, unless the participant is under 19 years of age, 64 years of age or older, physically or mentally unfit to work, a parent or caretaker of a child under one year of age, a parent or caretaker of a child with a disability, receiving unemployment, or participating in a drug addiction or alcoholic treatment and rehabilitation program.

The Department of Social Services must submit any state plan or waiver necessary, and these provisions will not become effective until approval of the state plan or waiver.

This bill specifies that an individual shall be ineligible to participate in the Supplemental Nutrition Assistance Program (SNAP) during any month such individual is delinquent in any child support payment. A disqualification will only apply to the individual and not to the entire household. For reasons listed in the bill, an individual who is delinquent in child support may be exempted from the provisions of this bill.

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

SOURCES OF INFORMATION

Department of Social Services -  
    Family Support Division  
    MO HealthNet Division  
    Division of Legal Services  
Department of Mental Health  
Joint Committee on Administrative Rules  
Office of Secretary of State

Ross Strope



Acting Director  
March 21, 2018