

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4631-02  
Bill No.: HCS for HB 1960  
Subject: Health, Public; Social Services Department; Medicaid/MO HealthNet; Revenue Department  
Type: Original  
Date: February 19, 2020

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Bill Summary: This proposal simplifies the application form for certain public assistance benefit programs and allows certain periodic eligibility review forms to be submitted as an attachment to a recipient's state tax return.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$180,766)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$180,766)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 costs exceed \$200,000 in FY 21 exclusively and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §208.066 - Public assistance application; DOR/DSS to post renewal on website(s)

Officials from the **Department of Social Services (DSS), Children's Division (CD)** and **Family Support Division (FSD)** state as follows:

This proposal adds provisions that state the Department of Social Services (DSS) shall create a concise form that is easily accessible on the DSS website for the application of the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), childcare subsidy program and MO HealthNet benefits.

**Children's Division (CD)** administers the development of applications for the Child Care Subsidy program and will continue to make the applications available on the DSS website as required in this legislation.

This legislation requires DSS cooperation with DOR to allow any renewal for Child Care Subsidy benefits to be attached to the Missouri state tax form. Based on discussions with DOR, CD assumes that this legislation would apply only to mail-in tax forms. CD Child Care Subsidy renewal forms will continue to be available on the DSS website for individuals to print and submit in paper form to the DOR. CD will coordinate with DOR to receive any renewal forms that are submitted with the Missouri tax form.

CD assumes a one-time mailing cost will be incurred for a notice of changes to the Child Care Subsidy program as outlined in this response. As of October 2019, there were 22,501 households receiving child care assistance. The mailing costs for a one-time notice for each household at the bulk mailing rate of \$0.43 would be \$9,675.43 (22,501 \* \$0.43).

**CD estimates the fiscal impact will be the one-time mailing cost of \$9,675.43 in FY 21 if the provisions of this legislation are enacted.**

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

Officials from **FSD** state §208.066 is added to require DSS to limit any initial applications and periodic eligibility review forms 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 concise, non-duplicative form. The application forms should be easily

ASSUMPTION (continued)

accessible on the DSS website. The review forms should be easily accessible on both the DSS and Department of Revenue (DOR) websites. In addition, participants in the SNAP, TANF, child care assistance, or any medical assistance or health insurance program may submit their eligibility review form with the Missouri state tax form if the person's eligibility review is due at the same time he or she files a state tax return.

FSD administers eligibility for SNAP, TANF, Child Care Subsidy, and MO HealthNet programs. CD administers the development of applications and review forms for the Child Care Subsidy program. FSD develops applications and review forms for the remaining programs.

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.

42 CFR 435.916 requires that FSD must send a pre-populated review form to all Modified Adjusted Gross Income (MAGI) methodology 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 would exceed one page in length and 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.

DSS has partnered with a contractor who has provided consultation services to other states to implement a similar simplified application process in Missouri for SNAP, TANF, Child Care Subsidy, and MO HealthNet programs.

The development of concise, non-duplicative eligibility review form can be completed with existing resources.

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

DSS will coordinate with DOR to allow any renewal for any of the programs identified in this legislation to be attached to the Missouri state tax form. Based on discussions with DOR, FSD assumes this legislation would apply only to mail in tax forms. FSD renewal forms, excluding MAGI, will be available on the DSS website for individuals to print and submit in paper form to the DOR. FSD will coordinate with DOR to make review forms, excluding MAGI, available on the DOR website and receive any renewal forms that are submitted with the Missouri tax form.

ASSUMPTION (continued)

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. As of October 2019, there were a total of 871,938 SNAP, TANF, and MO HealthNet cases. The mailing costs for a one-time notice for each case at the bulk mailing rate of \$0.43 would be \$374,933 (871,938 \* \$0.43).

**FSD estimates the fiscal impact will be the one-time mailing costs of \$374,933 in SFY 2021 if the provisions of this legislation are enacted.**

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by FSD for fiscal note purposes. Oversight notes the one-time mailing costs for CD and FSD total \$384,608 (\$9,675 CD mailings + \$374,933 FSD mailing) in FY 21 exclusively with a split of 47% GR; 53% Federal.

Officials from the **Department of Revenue (DOR)** state this legislation will have a minimal impact on their organization. This impact, they believe, can be absorbed using existing resources, and responds to this legislation as a no impact.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by DOR for fiscal note purposes.

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.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In a previous version of this legislation, officials from the **Office of the Secretary of State (SOS)** assumed 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 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.

ASSUMPTION (continued)

**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 require additional resources.

**Oversight** notes the **Office of Administration, Commissioner's Office** has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**GENERAL REVENUE FUNDS**

<u>Costs - DSS (\$208.066) One-time mailing costs</u>	<u>(\$180,766)</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$180,766)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**FEDERAL FUNDS**

Income - DSS (\$208.066) Reimbursement for mailing costs	\$203,842	\$0	\$0
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<u>Costs - DSS (\$208.066) One-time mailing costs</u>	<u>(\$203,842)</u>	<u>\$0</u>	<u>\$0</u>
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<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill limits the application form for SNAP, TANF, child care assistance, or MO HealthNet to a concise non-duplicative form that is easily accessible on the Department of Social Services' website.

Additionally, this bill allows participants of these programs who are required to complete a periodic eligibility review form to submit the review form as an attachment to his or her state tax return. Any periodic eligibility review form for these programs must be a one-page form that is easily accessible on the Department of Social Services and the Department of Revenue's website (§208.066).

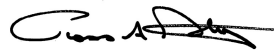
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Social Services  
Joint Committee on Administrative Rules  
Office of Administration - Commissioner's Office  
Office of Secretary of State



Julie Morff  
Director  
February 19, 2020



Ross Strope  
Assistant Director  
February 19, 2020