

FISCAL NOTE
Requested by Legislative Council
02/08/2019

Amendment to: HB 1194

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$3,693,056	\$580,641,381	\$4,266,162	\$616,844,444
Expenditures			\$63,701,054	\$580,641,381	\$71,214,796	\$616,844,444
Appropriations			\$63,701,054	\$580,641,381	\$71,214,796	\$616,844,444

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1194 removes the sunset clause for Medicaid Expansion and retains commercial rates, creates a tribal health care coordination fund where general fund savings from care coordination would be deposited. Section 2 also proposes to divide the savings between tribal nations and the general fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1194 Section 1 removes the July 31, 2019 sunset provision for the Medicaid Expansion program. The projected costs of the Medicaid Expansion program to continue as a Managed Care Organization at the commercial fee schedule is \$640,649,378, of which \$71,087,167 are general fund. The estimated cost assumes an average monthly premium for 20,739 individuals.

The projected impact for the 2021 – 2023 biennium is \$683,793,078, of which \$79,747,120 are general fund. This estimate includes adjustments for cost and Federal Medical Assistance Percentage (FMAP).

Section 2 requires the Department to facilitate tribal care coordination agreements. This will generate general funds savings due to federal policy that allows 100% federal financing for services rendered to Medicaid-eligible Indian Health Services/Tribal 638 beneficiaries under a care coordination agreement. These savings are to be tracked by the Department, 50% of the balance is to be deposited in the state treasury fund Tribal Health Care Coordination Fund and are to be used by the tribes for health-related purposes. The remaining 50% shall be returned to the state general fund. These total savings are projected to be \$7,386,113, of which \$3,693,057 will go to the Tribal Health Care Coordination Fund and \$3,693,057 will go to the general fund.

The projected impact for the 2021 – 2023 biennium is \$8,532,324, of which \$4,266,162 will go to the Tribal Health Care Coordination Fund and \$4,266,162 will go to the general fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The services provided under Section 1 of HB 1194 are eligible to receive matching federal funds based off the Federal Medical Assistance Percentage (FMAP) for Medicaid Expansion as authorized in the 2010 Affordable Care Act. Services provided under Section 2 and under a care coordination agreement are eligible for 100% federal financing.

The State will also recognize revenue from the deposit of the savings amount from Tribal Care Coordination agreements that are to be split 50/50 between the Tribal Health Care Coordination Fund and the General Fund.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

HB 1194 Section 1 removes the July 31, 2019 sunset provision for the Medicaid Expansion program. The projected costs of the Medicaid Expansion program to continue as a Managed Care Organization at the commercial fee schedule is \$640,649,378, of which \$71,087,167 are general fund. The estimated cost assumes an average monthly premium for 20,739 individuals.

The projected impact for the 2021 – 2023 biennium is \$683,793,078, of which \$79,747,120 are general fund. This estimate includes adjustments for cost and Federal Medical Assistance Percentage (FMAP).

Section 2 requires the Department to facilitate tribal care coordination agreements. This will generate general funds savings due to federal policy that allows 100% federal financing for services rendered to Medicaid-eligible Indian Health Services/Tribal 638 beneficiaries under a care coordination agreement. These savings are to be tracked by the Department, 50% of the balance is to be deposited in the state treasury fund Tribal Health Care Coordination Fund and are to be used by the tribes for health-related purposes. The remaining 50% shall be returned to the state general fund. These total savings are projected to be \$7,389,113, of which \$3,693,057 will go to the Tribal Health Care Coordination Fund and \$3,693,057 will go to the general fund.

The projected impact for the 2021 – 2023 biennium is \$8,532,324, of which \$4,266,162 will go to the Tribal Health Care Coordination Fund and \$4,266,162 will go to the general fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 1 for the 19-21 biennium the Department of Human Services would need an appropriation increase, of \$233,397,000, of which \$37,978,000 would be general fund, to the base level budget in SB 2012. The base level budget in SB 2012 already includes appropriation of \$407,252,458, of which \$33,109,610 are general fund for this program.

For the 21-23 biennium the Department of Human Services would need appropriation authority of \$683,793,078, of which \$79,747,120 would be general fund. This is an increase from the 2019 – 2021 budget estimate of \$43,143,700, of which \$8,659,953 is general fund.

Section 2 contains continuing appropriation authority to disperse funds from the Tribal Health Care Coordination Fund, the Department will need an additional \$7,386,113 of federal authority for services rendered under a care coordination agreement that are eligible for 100% federal financing in the 19 – 21 biennium.

For the 21 – 23 biennium the Department will need an additional \$8,532,324 of federal funds appropriation authority for services rendered under a care coordination agreement that are eligible for 100% federal financing.

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