

FISCAL NOTE
SENATE BILL NO. 2283
LC# 23.0973.01000
01/24/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$19,118,386	\$7,984,183	\$24,250,011	\$9,949,273
Appropriations			\$19,118,386	\$7,984,183	\$24,250,011	\$9,949,273

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

SB 2283 requires the Department to increase basic care rates by six percent for rate year July 1, 2023 followed by a four percent increase for rate year July 1, 2024. Additionally, the basic care rates are increased ten dollar per day for rate years July 1, 2023, and July 1, 2024.

4 - Fiscal Impact Sections Detail

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.

Section 1 of SB 2283 equires the Department to increase basic care rates by six percent for rate year July 1, 2023 followed by a four percent increase for rate year July 1, 2024. Additionally, the basic care rates are increased ten dollar per day for rate years July 1, 2023, and July 1, 2024. The Department would rebase the Basic Care rates for rate year July 1, 2023. It is estimated that rebasing would cost \$2,000,000 for Personal Care and \$1,000,000 for

Room and Board.

For Personal Care, the six percent inflationary increase plus the ten dollar rate increase to the rate would cost \$3,935,678 for year one. The four percent increase plus the ten dollar per day increase would cost \$9,128,818 for year two. For Room and Board, the six percent inflationary increase plus the ten dollar rate increase to the rate would cost \$3,492,889 for year one. The four percent increase plus the ten dollar per day increase would cost \$7,545,184 for year two.

Included in Section 2 of SB2283 is \$500,000 to perform a study of the basic care payment system.

The total impact for the 2023-2025 biennium in Medical Grants Assistance would be \$27,602,569.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Section 1 of SB 2283 requires the Department to increase basic care rates by six percent for rate year July 1, 2023 followed by a four percent increase for rate year July 1, 2024. Additionally, the basic care rates are increased ten dollar per day for rate years July 1, 2023, and July 1, 2024. The Department would rebase the Basic Care rates for rate year July 1, 2023. It is estimated that rebasing would cost \$2,000,000 for Personal Care and \$1,000,000 for Room and Board.

For Personal Care, the six percent inflationary increase plus the ten dollar rate increase to the rate would cost \$3,935,678 for year one. The four percent increase plus the ten dollar per day increase would cost \$9,128,818 for year two. For Room and Board, the six percent inflationary increase plus the ten dollar rate increase to the rate would cost \$3,492,889 for year one. The four percent increase plus the ten dollar per day increase would cost \$7,545,184 for year two.

Included in Section 2 of SB2283 is \$500,000 to perform a study of the basic care payment system.

The total impact for the 2023-2025 biennium in Medical Grants Assistance would be \$27,102,569. The total impact for the 2023-2025 biennium in Operating Expenses would be \$500,000.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

For the 2023-2025 biennium the Department of Health and Human Services would need appropriation increases to the base level budget in SB 2012 to the line item Grants Medical Assistance of \$27,102,569, of which, \$19,118,386 is General.

For the 2025-2027 biennium the Department of Health and Human Services would need appropriation authority in the Grants Medical Assistance line of \$34,199,284, of which, \$24,250,011 is General for the proposed changes in SB2283.

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