

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 256 (First Edition)

SHORT TITLE: V.A. Survivors Benefits/Medicaid Eligibility.

SPONSOR(S): Representatives Glazier, Farmer-Butterfield, and Lewis

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund Revenues:	10,461,709	11,043,963	11,640,351	12,255,292	12,880,795
General Fund Expenditures:	15,904,088	16,789,242	17,695,882	18,630,727	19,581,628
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	(\$5,442,379)	(\$5,745,279)	(\$6,055,531)	(\$6,375,435)	(\$6,700,833)

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Health and Human Services, Division of Medical Assistance

EFFECTIVE DATE: January 1, 2014

TECHNICAL CONSIDERATIONS:
Yes - See Technical Considerations Section

BILL SUMMARY: House Bill 256 requires the Department of Health and Human Services (DHHS) to apply to the Centers for Medicare and Medicaid Services (CMS) for approval to change the State Medicaid Plan to exclude Veteran Survivors Pension Benefits from income in determining Medicaid eligibility.

ASSUMPTIONS AND METHODOLOGY: House Bill 256 will exclude income from Veteran Survivors Pension Benefits when determining Medicaid eligibility. This will result in an increase in the number of Medicaid individuals and an increase in program costs.

Implementation will require a State Plan Amendment to obtain CMS approval for adoption of the exclusion as an eligibility methodology that is less restrictive than Social Security Income (SSI) policy.

Projections for the increased number of Medicaid recipients were based on an automated match of individuals who currently receive VA survivor benefits and who are not Medicaid beneficiaries. The Department of Health and Human Services (DHHS) projects the total cost to the Medicaid program to be \$15,904,088 in FY 13-14. The state's share of that total cost would be \$5,442,379. The Department projects total costs to increase to \$19,581,628 by FY 17-18. The state's share of the FY 2017-18 total cost would be \$6,700,833. These projections are based on the current federal participation match rate of 65.78%, and could be significantly impacted should that match rate change.

Description	PMPM	SFY 2013-14	SFY 2014-15	SFY 2015-16	SFY 2016-17	SFY 2017-18
Potential Medicaid Eligibles						
Aid to Aged (MAA)		815	828	841	854	867
Aid to the Disabled (MAD)		95	97	99	101	103
Total Eligibles		910	925	940	955	970
Potential Medicaid Costs						
Aid to Aged (MAA)	\$1,377.02	\$14,041,085	\$14,811,494	\$15,599,527	\$16,411,271	\$17,235,793
Aid to the Disabled (MAD)	\$1,573.84	\$1,863,003	\$1,977,748	\$2,096,355	\$2,219,456	\$2,345,835
Total Medicaid Costs		\$15,904,088	\$16,789,242	\$17,695,882	\$18,630,727	\$19,581,628
Federal Share		\$10,461,709	\$11,043,963	\$11,640,351	\$12,255,292	\$12,880,795
State Share		\$5,442,379	\$5,745,279	\$6,055,531	\$6,375,435	\$6,700,833
FMAP		0.6578	0.6578	0.6578	0.6578	0.6578

There is no impact expected for current Veteran Survivors Pension Benefit recipients who are currently Medicaid beneficiaries.

TECHNICAL CONSIDERATIONS:

The State and Federal shares of the total projected Medicaid costs follow the current Federal Medical Assistance Percentage (FMAP) rate of 65.78% for each fiscal year. Potential Medicaid costs are adjusted annually based on Moody's annual CPI increases for medical care.

SOURCES OF DATA: Department of Health and Human Services, Division of Medical Assistance

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