

FISCAL NOTE

	FY 2019	FY 2020	FY 2021
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure Decrease			
GENERAL FUND	(\$258,831)	(\$258,831)	(\$258,831)
FEDERAL FUNDS	(\$1,898,095)	(\$1,898,095)	(\$1,898,095)

Source of Expenditure Decrease:

A shift from a premium based program to a Medicaid like Fee-for-Service administration of benefits lowers per-member-per-month costs due to lower administration costs and lower benefit costs.

Assumptions:

Department of Health used current premium levels paid for CHIP to Blue Cross Blue Shield (weighted average of \$256.89 per month) compared to per-member-per-month costs for Medicaid children with the same benefits and assuming same co-pay levels as currently in place for CHIP (weighted average of \$194.70 for benefits plus \$7.79 for contracted services, \$202.49 per month total per child). Department of Health assumed co-pays remain the same as current levels (Plan A-\$0, Plan B \$5, Plan C \$10, no co-pays under any plan for preventive services).

Only benefit costs are assumed to change. The projection included additional claims load and other costs in the to-be projection of costs. For ease of comparison, the Department of Health did not assume a growth rate for future years for CHIP BCBS premium rates or Medicaid per-member-per-month expenditures. However, CHIP BCBS growth rates have exceeded Medicaid per-member-per-month growth rates in recent years so future savings may be greater than shown above.

The current match rate is an enhanced 88 percent Federal Funds and 12 percent State General Fund due to the Affordable Care Act (ACA). However, the historic match rate is 65 percent Federal Funds and 35 percent State General Fund. At that level, annual expenditure decreases would be \$754,924 State General Fund and \$1,402,002 Federal Funds.

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