

FISCAL NOTE

The Department of Health (Department) anticipates an expenditure (decrease) range for the General Fund and Federal Funds as follows:

- General Fund Anticipated Expenditure (Decrease)
 - FY 2021 - (\$400,000) - (\$1,500,000)
 - FY 2022 - (\$500,000) - (\$2,000,000)
 - FY 2023 - (\$500,000) - (\$2,000,000)
- Federal Fund Anticipated Expenditure (Decrease)
 - FY 2021 - (\$700,000) - (\$2,800,000)
 - FY 2022 - (\$900,000) - (\$3,800,000)
 - FY 2023 - (\$900,000) - (\$3,800,000)

Source of expenditure (decrease):

The Department anticipates potential rate reductions and a decrease in administration expenditures.

Assumptions:

The Department noted that the expenditure (decrease) range is due to uncertainty in program design, composition of the population, and expected claims experiences. The Department estimate is based on several factors including the current Children's Health Insurance Program (CHIP) budget, projected enrollment, changes to the federal match rate, an increase in the Medical Loss Ratio from 85% to 95%, estimates for pay rate differences, and assumptions based on changes in cost sharing and Medicaid benefit plans.

All expenditures are assumed at 35% GF and 65% federal fund which is the federal match rate in effect from October 1, 2020 into the future. The Department estimate for FY 2021 is for 9 months of FY 2021 assuming the program would begin October 1, 2020.

The Department noted that expenditures for CHIP administration currently come from the 600 series and would shift to the 900 series should the State move to the state-administered model.

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