

FISCAL NOTE

	FY 2024	FY 2025	FY 2026
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
FEDERAL FUNDS (Expansion Match)	\$65,750,000	\$111,250,000	\$111,250,000
FEDERAL FUNDS (ARPA Incentive)	\$27,000,000	\$27,000,000	
	FY 2024	FY 2025	FY 2026
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase/(decrease)			
GENERAL FUND (Expansion Match)	\$8,250,000	\$13,750,000	\$13,750,000
GENERAL FUND (ARPA Incentive)	(\$27,000,000)	(\$27,000,000)	
FEDERAL FUNDS (Expansion Match)	\$65,750,000	\$111,250,000	\$111,250,000
FEDERAL FUNDS (ARPA Incentive)	\$27,000,000	\$27,000,000	

Source of revenue increase and expenditure increase and (decrease):

This bill directs the Wyoming Department of Health (WDH), insurance commissioner, and governor to negotiate with the Centers for Medicare and Medicaid Services (CMS) to amend the state's Medicaid plan to cover all persons eligible under section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII). This bill does not provide for expansion of the Medicaid plan during any period in which the increased federal medical assistance percentage (FMAP) is less than 90% or when the regular FMAP percentage is less than 55%.

The WDH estimates a revenue and associated expenditure increase in Federal Funds of \$65,750,000 in FY 2024 and \$111,250,000 in FY 2025 and FY 2026 from expanding the Medicaid plan. The WDH also estimates an associated expenditure increase of General Funds of \$8,250,000 in FY 2024 and \$13,750,000 in FY 2025 and FY 2026 from expanding the state's Medicaid plan. Additionally, the WDH estimates a revenue and associated expenditure increase in Federal Funds of \$27,000,000 in FY 2024 and FY 2025 from the incentive under the American Rescue Plan Act (ARPA) to expand the Medicaid plan, which provides an additional 5% federal match on the traditional match rate. There would be a corresponding General Fund expenditure decrease of \$27,000,000 in FY 2024 and FY 2025 for the period of the ARPA incentive. The total estimated revenue increase and associated expenditure increase in Federal Funds is \$92,750,000 in FY 2024, \$138,250,000 in FY 2025, and \$111,250,000 in FY 2026. The total estimated net expenditure decrease in General Funds is \$18,750,000 in FY 2024 and \$13,250,000 FY 2025 and an expenditure increase in General Funds of \$13,750,000 in FY 2026.

The WDH indicates administrative costs associated with expanding the Medicaid plan would increase. Estimated administrative costs in FY 2024 are \$3,540,000 and \$5,910,000 in FY 2025, allocated 25% from General Funds and 75% from Federal Funds. These administrative costs are included in the expenditure table above.

Assumptions:

The WDH uses the following assumptions to arrive at the estimated revenue and expenditure impacts: (i) the Medicaid plan is amended effective FY 2024 and the WDH has the required infrastructure in place; (ii) the FMAP for Medicaid expansion remains at 90%; (iii) an estimated 19,000 eligible adult participants enroll in Medicaid following expansion (90% uncertainty interval between 12,000 and 27,000 adults); and (iv) the ARPA incentive ends after FY 2024.

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