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FISCAL IMPACT REPORT

SPONSOR:	Varela	DATE TYPED:	1-24-00	HB	41
SHORT TITLE:	Increase Medicaid Personal Spending Allowance				SB
					ANALYST: Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
			\$ 206.0	Recurring	General Fund
			\$ 578.0	Recurring	Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to None

SOURCES OF INFORMATION

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 41 would increase the Medicaid personal spending allowance for persons in nursing homes to \$45 per month in FY01. The personal allowance is currently \$30 per month. The allowance would increase each year thereafter for inflation as measured by the consumer price index.

Significant Issues

The bill does not contain an appropriation.

FISCAL IMPLICATIONS

HSD has estimated the cost of increasing the personal allowance is \$784.0, with \$206.0 needed from the state general fund and \$578.0 from federal funds. The cost in future years will increase at the rate of inflation as measured by the consumer price index for all consumers in the prior year.

ADMINISTRATIVE IMPLICATIONS

HSD writes that the increase will require computer system programming and staff training.

OTHER SUBSTANTIVE ISSUES

HSD notes that some nursing home residents are physically unable to spend their personal needs allowance, thus building their resources and eventually leading to ineligibility from Medicaid. To prevent potential breaks in eligibility, nursing home staff will need to monitor residents' resources.

BT/gm