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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/06

SPONSOR Trujillo LAST UPDATED \_\_\_\_\_ HB 142

SHORT TITLE FULLY FUND MEDICAID PROGRAM SB \_\_\_\_\_

ANALYST Weber

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$50,000.0	Recurring	Federal Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 74

Duplicates Appropriation in the General Appropriation Act  
Relates to Appropriation in the General Appropriation Act

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	\$130,000.0	\$125,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

House Bill 142 appropriates \$50 million from the general fund to the Human Services Department for the purpose of funding the Medicaid program at the current level of benefits and eligibility and to allow for growth in the projected number of recipients and the rising costs of providing services to beneficiaries.

**FISCAL IMPLICATIONS**

The appropriation of \$50 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

**SIGNIFICANT ISSUES**

The current version of the General Appropriations Act includes over \$600 million from the general fund for the Medicaid program. This level of appropriation is anticipated to fund the current level of benefits and does not change eligibility. There are many variables in a program of this size, approaching \$3 billion in total expenditures, and it is difficult to project with precision the cost of this program in FY07, over a year away. However, \$50 million in addition to the over \$600 million from the general fund would seem excessive without benefit and eligibility changes. The bill needs to clarify if this appropriation is in addition to the General Appropriations Act funding or in place of. Also, the bill should include details of specific areas in the Medicaid program the \$50 million would supplement.

MW/nt