



- expand Medicaid and CHIP coverage to children in families with incomes below 200 percent of the federal poverty level (FPL);
- establish a private health plan option administered by the state which provides premium subsidies on a sliding scale to children with family incomes between 200 and 300 percent FPL. Children with family incomes above 300 percent FPL can purchase coverage through the private option at full-cost; and
- increase funding for the Oregon Health Plan (Medicaid) to enroll eligible low-income adults who have been on a waitlist to obtain coverage.

\*OHA assumes that the premium tax revenue from HB 2116 (2009) is adequate to fund all the expansions in HB 2116 (2009) listed above and this new category of eligibility. The Legislative Fiscal Office notes that if this revenue is insufficient, General Fund would be used.

The bill directs the Oregon Health Authority to submit, no later than March 31, 2010, an application to the Centers for Medicare and Medicaid Services to obtain necessary approvals to implement the provisions of this measure. The funding source listed is based on the assumption that the application is approved and the appropriate federal match rates are applied.

DHS (OHA) estimates the fiscal impact of this measure to be \$1,318,514 Total Funds (\$463,454 Other Funds and \$855,060 Federal Funds) for the 2009-11 biennium and \$4,595,622 Total Funds (\$1,752,086 Other Funds and \$2,843,536 Federal Funds) for the 2011-13 biennium.

If this bill passes, the Department of Medical Assistance Programs (DMAP) anticipates a monthly average of approximately 98 new clients for the 2009-11 biennium and 400 new clients for the 2011-13 biennium. DMAP estimates assistance benefits (Special Payments) costs at \$1,087,925 Total Funds for the 2009-11 biennium and \$4,455,634 Total Funds for the 2011-13 biennium. With the federal match rate, this would equal \$364,294 Other Funds and \$723,631 Federal Funds for the 2009-11 biennium, and \$1,659,724 Other Funds and \$2,795,910 Federal Funds for the 2011-13 biennium.

Based on DMAP assumption of new clients, the CAF division would require one permanent full time Human Services Specialist 3 position (\$67,412 Total Funds and 0.67 FTE for the 2009-11 biennium / \$89,628 Total Funds and 1.00 FTEs for the 2011-13 biennium) to process applications and determine eligibility for new and continuing clients. With the federal match rate, this would equal \$45,924 Other Funds and \$21,488 Federal Funds for the 2009-11 biennium, and \$61,052 Other Funds and \$28,576 Federal Funds for the 2011-13 biennium.

Services and Supplies (\$163,177 Total Funds for the 2009-11 biennium and \$50,361 Total Funds for the 2011-13 biennium) include training, communications, and information technology expenses. To comply with the requirements of this bill, DHS would need to coordinate, modify and enhance current processes to ensure benefits are transitioned without disruption or termination. Enhancements to the Medicaid Management Information System (MMIS) would need to be made to add the new eligibility group. DHS anticipates contracting with a vendor to carry out these enhancements. The contract is estimated at \$132,000 Total Funds for the 2009-11 biennium. Funding split assumes CMS certification of the MMIS funding. The remaining \$31,177 Services and Supplies Total Funds for the 2011-13 biennium and \$50,361 Total Funds for the 2011-13 biennium reflect administrative costs including communication/outreach efforts, as well as medical identification cards and training for new clients.

Note that the agency's calculations are based on the assumption that CMS approval will be received in a timely manner enabling a program start date of May 1, 2010. Actual approval may take longer. If so, the program cost for the 2009-11 biennium would be less.

This bill requires budgetary action for appropriation of funds and the establishment of positions.