

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2312 – HB 2608

March 14, 2018

SUMMARY OF ORIGINAL BILL: Requires the Division of TennCare (Division) to establish a procedure, no later than November 1, 2018, that allows recipients who are under the age of 18 to reapply for medical assistance benefits online without requiring any paper forms.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$1,500,000/One-Time

Increase Federal Expenditures - \$13,500,000/One-Time

SUMMARY OF AMENDMENT (014794): Deletes all language after the enacting clause. Requires the Division, as part of the process for redetermining an enrollee's eligibility for the program, to establish a procedure that sends an email notice to the enrollee, or the parent or guardian of the enrollee, that the enrollee must redetermine eligibility for the program. Declares the notice must be emailed at least 30 days in advance of the regular mailing of any packet of materials for redetermination of eligibility if the Division has an email address for the enrollee or the parent or guardian of the enrollee.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$20,000/One-Time

Increase Federal Expenditures - \$180,000/One-Time

Assumptions for the bill as amended:

- Based on information provided by the Division, the Division cannot accommodate the proposed legislation within existing resources.
- The Division is working on the Tennessee Eligibility Determination System (TEDS) that will have the required provision in place through a pilot in December 2018, and be fully implemented in late March 2019.
- The Division will have to temporarily stop its redetermination efforts in preparation for launching TEDS. The proposed legislation would not be able to be implemented until

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March 2019. Requiring the Division to email the applicant 30 days prior to a mailing would require an update to TEDS. The cost associated with this update is estimated to be \$200,000.

- The federal match rate for these expenditures is 90 percent federal funds and 10 percent state funds. Therefore, \$20,000 ($\$200,000 \times 10.0\%$) of the one-time increase in expenditures will be in state funds, and \$180,000 ($\$200,000 \times 90.0\%$) will be in federal funds.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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