

FISCAL NOTE

SB 2547 - HB 2448

February 12, 2000

SUMMARY OF BILL: Establishes a nine person task force to develop and oversee an outreach strategy to insure that persons do not lose TennCare coverage because of welfare reform. The task force is to implement activities utilizing funds specifically allocated by the Federal government for these purposes. Activities are to include educational activities, public service announcements, additional outreach workers, and training of eligibility workers, providers and community leaders. All activities are to be implemented through the community service agencies.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$100,000

To the extent federal funding is available for this program, there is an estimated increase in state expenditures to provide the required state match for the federal funds and an increase in federal expenditures as the result of receiving federal funding for such program. The amount of state matching expenditures will depend on the amount of federal funding available and received and cannot be determined but is estimated to exceed \$100,000.

As part of Federal welfare reform legislation, \$500 million was set aside by the federal government for Medicaid outreach activities to be funded at a 75% or a 90% rate (rather than the normal 50%).

Tennessee was ruled to be ineligible for the enhanced funding because the state welfare and Medicaid eligibility system was integrated within the Department of Human Services. The Health Care Finance Administration would not release the Tennessee share of these funds (about \$9 million) for outreach activities. HCFA relented in 1999 and ruled that some outreach activities in Tennessee would be eligible. DHS and the TennCare Bureau report that they have filed for the enhanced funding on a *retrospective basis* for outreach activities performed prior to September 30, 1999. According to the TennCare Bureau, this retrospective billing will exhaust the \$9 million set aside for Tennessee.

Any new activities would not be eligible for this special funding and would have to be funded at the regular rate for administrative operations (50% state and 50% Federal).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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