

## FISCAL NOTE

### SB 2909 - HB 2470

February 5, 2000

**SUMMARY OF BILL:** Requires certain information for a TennCare enrollment application such as place of employment, proof of salary and residency, information on employer's health insurance, two doctor's statements on medical condition and two insurance company declination letters. The bill also imposes a ten-dollar application fee and a six-month residency requirement for uninsured and uninsurable applicants.

#### ESTIMATED FISCAL IMPACT:

<b>Increase State Expenditures -</b>	<b>\$426,500 Recurring</b>
	<b>\$106,700 One-Time</b>
<b>Decrease State Expenditures - Exceeds -</b>	<b>\$100,000 Recurring</b>
<b>Increase State Revenues -</b>	<b>\$515,000</b>
<b>Other Fiscal Impact - Increase Federal Expenditures -</b>	<b>\$426,500 Recurring</b>
	<b>\$320,000 One-Time</b>
<b>Decrease Federal Expenditures - Exceeds -</b>	<b>\$200,000 Recurring</b>
<b>Decrease Federal Revenues -</b>	<b>\$257,500</b>

Estimate assumes:

- The TennCare Bureau receives approximately 156,000 applications annually of which one-third will be uninsured or uninsurable applicants. Estimate assumes Medicaid eligible applicants cannot be charged the \$10 application fee.
- A need for 35 positions and associated expenses in the TennCare Bureau and the Department of Health because of the significant increase in applicant information to be processed. These personnel would be needed to process applications and fees, verify income and employment information, enter data, and deal with increased applicant appeals.
- One-time cost to equip the additional positions and to make automation changes to TennCare information systems.
- Increased revenue from the ten-dollar application fee charged on approximately 51,500 applications annually of which 50 % will have to be offset against federal revenues withdrawn.
- Some reduction in total TennCare enrollment would be accomplished that would not have been accomplished in the absence of the bill with an associated reduction in TennCare expenditures. The amount of reduction cannot be determined but is estimated to exceed \$100,000.

#### CERTIFICATION:

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



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James A. Davenport, Executive Director

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