

## FISCAL NOTE

### SB 1270 - HB 1082

March 23, 2005

**SUMMARY OF BILL:** Makes appropriations to TennCare program for FY05 and FY06. Requires funds appropriated to TennCare program to be in compliance with federal law. Makes appropriations to TennCare program subject to certain provisions, limitations, and restrictions.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - To the extent the estimate-to-actual ratio for FY05 holds for FY06 and inflation does not exceed 11%, TennCare expenditures could exceed the appropriations made in this bill by up to \$955.9 million. Assuming the estimated FY05 state-to-federal-to-other ratio for FY06, state expenditures could increase approximately \$279,400,000, federal expenditures could increase by approximately \$582,700,000, and other expenditures could increase by approximately \$93,800,000.**

#### Assumptions:

- The appropriations made in this bill would fund the TennCare program at the estimated level for FY04-05 as identified in the General Appropriations Act of 2004.
- According to the budget document prepared for FY05-06, estimated expenditures for the TennCare program for FY04-05 are \$8,689,996,700 (state funds: \$2,540,307,100; federal funds: \$5,297,175,200; other: \$852,514,400).
- Average annual rate of growth is 11% (Based on past growth).
- Estimated expenditures for TennCare program for FY05-06 are \$9,645,896,300 (state funds: \$2,819,740,800; federal funds: \$5,879,864,500; other: \$946,291,000).
- To the extent the estimate-to-actual ratio for FY04-05 holds for FY05-06 and inflation does not exceed 11%, TennCare expenditures could exceed the appropriations made in this bill by up to \$955.9 million (state funds: \$279.4 million; federal funds: \$582.7 million; other: \$93.8 million).
- No changes to TennCare enrollment or prescription drug benefits.

#### **CERTIFICATION:**

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



James W. White, Executive Director