

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** HB 534

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Batten

3. **Committee:** Health, Welfare and Institutions

4. **Title:** State plan for medical assistance services; eligibility, social security disability income

5. **Summary:** This legislation directs the State Board of Medical Assistance Services to amend the state plan for medical assistance to disregard, for the purposes of eligibility determination, any social security disability income received by the person.

6. **Budget Amendment Necessary:** Yes, Item 304.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023	\$93,576,195 \$95,835,529	General Nongeneral
2024	\$101,703,202 \$104,382,314	General Nongeneral
2025	\$101,703,202 \$104,382,314	General Nongeneral
2026	\$101,703,202 \$104,382,314	General Nongeneral
2027	\$101,703,202 \$104,382,314	General Nongeneral
2028	\$101,703,202 \$104,382,314	General Nongeneral
2029	\$101,703,202 \$104,382,314	General Nongeneral

8. **Fiscal Implications:** The Department of Medical Assistance Services (DMAS) reports that this bill would affect Medicaid program eligibility for those individuals receiving social security disability income (SSDI). The bill's provision to disregard SSDI for the purposes of eligibility determination would ultimately increase the number of individuals eligible for full Medicaid coverage as well as program costs.

The most significant anticipated impact would be on those Medicaid members currently enrolled for limited benefit programs as Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB) and Qualifying Individuals (QI). These programs provide coverage for low-income Medicare beneficiaries, who exceed the regular Medicaid financial eligibility guidelines, by paying all or some of Medicare's cost-sharing amounts. As such, Virginia Medicaid currently pays Medicare premiums, deductibles and co-payments for individuals in these programs. To qualify for QMB, SLMB and QI, an individual's monthly income and resources, including SSDI, cannot exceed 80 percent of the federal poverty limit. However, the exclusion of SSDI income for the purposes of eligibility determination, as provided for in HB 534, would make these individuals eligible for full Medicaid benefits.

For the purposes of this analysis, DMAS assumes that any Medicaid beneficiaries in these groups that are under 65 years old are receiving SSDI. In fiscal year 2021, DMAS found an average monthly enrollment of 30,378 QMBs, SLMBs and QIs under age 65. The average medical costs per month, excluding Medicare premiums, for these enrollees was \$30.13. Should these populations become full benefit members, they would be enrolled in the Commonwealth Coordinated Care Plus (CCC Plus) program as non-long term care dually eligible members with a per member per month cost of \$490. As such, the net new cost for this population is approximately \$460 per individual per month. DMAS further assumes that, on average, 5,000 currently unenrolled individuals would gain Medicaid coverage if the SSDI disregard is adopted. The cost associated with this cohort is expected to be approximately \$639 per member per month. Together the new costs are expected to be \$189 million (\$93 million general fund) in fiscal year 2023 and \$206 million (\$102 million general fund) in fiscal year 2024.

This bill would also require one-time administrative funding for enhancements to the Department of Social Services' Case Management System (VaCMS) estimated at \$500,000 (\$125,000 general fund).

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

10. Technical Amendment Necessary: No

11. Other Comments: None