



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 463

PRINTERS NO. 2226 PRIME SPONSOR: Brooks

COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
Lottery Fund	\$0	\$0

SUMMARY: Amends the State Lottery Law allowing for continued eligibility for individuals enrolled in the PACE and PACENET program. Effective date is immediately.

ANALYSIS: House Bill 463 provides that enrollees in the PACE and PACENET program, as of December 31, 2010, will remain eligible for the program if the maximum income limit is exceeded due solely to a Social Security cost-of-living adjustment (a cola). Pursuant to Act 69 of 2008, the Social Security cola 'moratorium' provision expired on December 31, 2010. This legislation would extend the eligibility provision creating a new expiration date of December 31, 2013.

FISCAL IMPACT: According to the Department of Aging, without an extension of this provision, in fiscal year 2011-12, a Social Security cost of living adjustment will result in increased income for 8,841 PACENET enrollees causing disqualification and loss of PACENET coverage (a state savings of \$6,834,093) and 20,269 PACE enrollees would qualify for PACENET rather than PACE coverage (a state cost of \$831,029). Therefore, maintaining continued eligibility without regard to income changes due to Social Security cola adjustments for these enrollees will result in a state cost of \$6.003million for PACENET enrollees who would become PACENET eligible in fiscal year 2011-12. This cost can be absorbed by existing Lottery Fund revenues and additional savings generated by federal changes which have provided for a 'donut hole' discount and increased rebated for brand and generic pharmaceuticals.

PREPARED BY: Kathy Vranicar
House Appropriations Committee (R)

DATE: June 28, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.