

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 463

PRINTER'S NO. 2226

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

February 4, 2011

PRIME SPONSOR

Representative Brooks

HISTORY OF BILL

Referred to AGING AND OLDER ADULT SERVICES, Feb. 4, 2011

Reported as amended, April 12, 2011

First consideration, April 12, 2011

Laid on the table, April 12, 2011

Removed from table, May 24, 2011

Second consideration, May 25, 2011

Re-committed to APPROPRIATIONS, May 25, 2011

Re-reported as committed, June 6, 2011

Third consideration and final passage, June 6, 2011 (198-0)

In the Senate

Referred to AGING AND YOUTH, June 7, 2011

Reported as committed, June 14, 2011

First consideration, June 14, 2011

Second consideration, June 26, 2011

Re-referred to APPROPRIATIONS, June 26, 2011

Re-reported as amended, June 27, 2011

DESCRIPTION AND PURPOSE OF BILL

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 (cola). Pursuant to Act 69 of 2008, the Social Security cola 'moratorium' provision expired on December 31, 2010. House Bill 463 would extend the eligibility provision creating a new expiration date of December 31, 2013.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

This act shall take effect immediately.

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 \$6.003 million for PACENET enrollees who would otherwise lose pharmaceutical assistance benefits and for PACE 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 rebates for brand and generic pharmaceuticals.