

# **SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE**

**BILL NO.** House Bill 425

**PRINTER NO.** 441

**AMOUNT**

See Fiscal Impact

**FUND**

Lottery Fund

**DATE INTRODUCED**

February 10, 2017

**PRIME SPONSOR**

Representative Nelson

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 425 provides that enrollees in the PACE and PACENET program, as of December 31, 2016, 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 91 of 2015, the Social Security COLA 'moratorium' provision expires on December 31, 2017. House Bill 425 would extend the eligibility provision creating a new expiration date of December 31, 2019.

Effective immediately.

**FISCAL IMPACT:**

Without an extension of this provision, in Fiscal Year 2017-18, a Social Security cost of living adjustment will result in increased income for 3,403 PACENET enrollees causing disqualification and loss of PACENET coverage (a state savings of \$2.0 million) and 8,863 PACE enrollees would qualify for PACENET rather than PACE coverage (a state savings of \$1.6 million). 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 \$3.6 million for PACENET enrollees who would otherwise lose pharmaceutical assistance benefits and for PACE enrollees who would become PACENET eligible in fiscal year 2017-18. However, these cost were already assumed in the budget, so there will be no fiscal impact resulting for this change.