

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 2138

**PRINTER NO.** 3328

**AMOUNT**

See Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

March 13, 2018

**PRIME SPONSOR**

Representative Dowling

**DESCRIPTION**

House Bill 2138 amends the Human Services Code, adding a work or job training requirement for eligible Medical Assistance enrollees.

The legislation requires that the Department of Human Services (DHS) apply for a waiver from the federal Centers for Medicare and Medicaid Services (CMS) allowing for the implementation of a work or job training requirement for Medical Assistance-eligible adults that do not qualify for an exemption.

An individual would satisfy the work requirement by meeting one of the following:

- 20 hours a week of employment; or
- Completion of 12 job training program-related activities a month.

Compliance with the requirement will be verified bi-annually or at the request of DHS. Failure to comply with the requirement will result in a loss of benefits for 3 months in year two of enrollment, 6 months in year three of enrollment and 9 months in year four of enrollment.

An individual may be exempt from the work or job training requirement should they meet any of the below circumstances:

- An enrollee is a full-time high school student;
- An individual is receiving temporary or permanent long-term disability benefits;
- An individual is 18 years of age or younger or 65 years of age and older;
- An enrollee is a pregnant woman;
- An individual is a Supplemental Security Income (SSI) beneficiary;
- An individual residing in a mental health institution or correctional institution;
- An enrollee experiencing a crisis, serious medical condition, or temporary condition that prevents them from actively seeking employment, including but not limited to, domestic violence or a substance use disorder;
- An enrollee is the primary caregiver to a dependent 6 years of age or younger; or
- An enrollee who is the primary caregiver to an individual who is permanently disabled or in hospice care.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

The legislation is scheduled to take effect in 60 days.

### **FISCAL IMPACT:**

Guidance provided by CMS to states considering implementing a work or job training requirement outlines an expectation that a state's waiver request describe the strategies they will use to assist enrollees in meeting these new requirements. These strategies could include providing enrollees with job training, employment search services or child care assistance. Currently, four states have been approved by CMS to implement a work or job training requirement for certain Medical Assistance recipients.

It is not possible to estimate the number of impacted enrollees that would utilize job training programs or services like child care. However, below are projected costs for training and services that may potentially be offered to a Medical Assistance enrollee subject to a work or job training requirement:

- \$2,500 - Annual cost of a work or job training program offered by DHS in partnership with the Department of Labor & Industry.
- \$1,531 - Three months of enrollment in Child Care Works, the state's subsidized child care program.
  - For FY 2018-19, the estimated monthly cost for providing subsidized child care to a SNAP-eligible child care consumer is \$510. As House Bill 2138 exempts the primary caretakers of a dependent child under six years of age, subsidized child care benefits will only be needed for primary caretakers of school-aged children. Three months of enrollment in Child Care Works is assumed while a child or children are out-of-school and child care would be needed.

An estimated savings of \$595 per month would be realized when an enrollee leaves the Medical Assistance program due to increased earnings from employment or is either sanctioned for non-compliance with the work or job training requirement. Additionally, any job training or child care resources would not need to be expended in these situations.

Both federal and state dollars could be saved from individuals who leave the Medical Assistance program due to increased earnings from employment as they may also be enrolled in other public assistance programs like the Supplemental Nutrition Assistance Program (SNAP).

Certain administrative costs incurred from implementing a work or job training requirement would be eligible for 50%-75% or more of federal matching funds. These costs may include information technology system changes and costs associated with providing notice (i.e. printing and postage) to impacted Medical Assistance enrollees. Costs that may not be eligible for federal matching funds would include the hiring of additional DHS staff to administer the work or job training requirement.