

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 607

**PRINTER'S NO.** 657

**AMOUNT**

\$4,000,000

**FUND**

Lottery Fund

**DATE INTRODUCED**

April 28, 2023

**PRIME SPONSOR**

Senator J. Ward

**DESCRIPTION**

Senate Bill 607 amends the State Lottery Law to provide that enrollees in the PACE and PACENET programs as of December 31, 2022, will remain eligible for the programs if the maximum income limit is exceeded due solely to a Social Security cost-of-living adjustment (COLA). Pursuant to Act 92 of 2021, the Social Security COLA 'moratorium' provision expires on December 31, 2023. Senate Bill 607 would extend the eligibility provision creating a new expiration date of December 31, 2025.

This act shall take effect immediately.

**FISCAL IMPACT:**

Without an extension of this provision, in Fiscal Year 2023-24, a Social Security cost-of-living adjustment will result in increased income for 7,170 PACENET enrollees causing disqualification and loss of PACENET coverage (a state savings of \$5.3 million), and 12,193 PACE enrollees would qualify for PACENET rather than PACE coverage (a state cost of \$1.3 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 \$4 million for PACENET enrollees who would otherwise lose pharmaceutical assistance benefits and for PACE enrollees who would become PACENET eligible in Fiscal Year 2023-24.

These costs have been assumed in the Fiscal Year 2023-24 budget.