

**State Impact**

This bill mandates that 100 percent of the Federal Poverty Level (FPL) will be the allowable income standard before "spend down" is required for Medicaid coverage. Because of an upcoming (March 1, 2003) change in Medicaid rules that reduces eligibility to 75 percent of FPL, the fiscal impact of this bill will encompass the entire cost from 75 percent FPL to 100 percent.

The estimated cost of this bill is \$23.3 million, of which \$6.8 million is state General Funds, with the balance coming from Federal matching funds. Administrative implementation of this bill will cost approximately \$100,000, half of which would be from the General Fund and half from federal matching funds.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
General Fund	\$6,823,100	\$6,823,100	\$0	\$0
Federal Funds	\$16,492,000	\$16,492,000	\$0	\$0
<b>TOTAL</b>	<u><u>\$23,315,100</u></u>	<u><u>\$23,315,100</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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**Individual and Business Impact**

This bill will allow individuals who are aged and/or disabled who qualify for Medicaid to utilize 100 percent of FPL as the allowable income standard for Medicaid spend down.

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