



# 129th MAINE LEGISLATURE

LD 1539

LR 587(01)

## An Act To Provide Maine Children Access to Affordable Health Care

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Carney of Cape Elizabeth

Committee: Health and Human Services

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

|                                   | FY 2019-20   | FY 2020-21    | Projections<br>FY 2021-22 | Projections<br>FY 2022-23 |
|-----------------------------------|--------------|---------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>         |              |               |                           |                           |
| General Fund                      | \$15,305,262 | \$42,561,411  | \$46,543,974              | \$46,543,974              |
| <b>Appropriations/Allocations</b> |              |               |                           |                           |
| General Fund                      | \$15,305,262 | \$42,561,411  | \$46,543,974              | \$46,543,974              |
| Federal Expenditures Fund         | \$10,194,717 | \$20,367,061  | \$20,360,670              | \$20,360,670              |
| Federal Block Grant Fund          | \$59,271,104 | \$106,613,693 | \$102,637,521             | \$102,637,521             |
| <b>Revenue</b>                    |              |               |                           |                           |
| Federal Expenditures Fund         | \$10,194,717 | \$20,367,061  | \$20,360,670              | \$20,360,670              |
| Federal Block Grant Fund          | \$59,271,104 | \$106,613,693 | \$102,637,521             | \$102,637,521             |

#### Fiscal Detail and Notes

The Department of Health and Human Services (DHHS) will require General Fund appropriations of \$15,305,262 in fiscal year 2019-20 and \$42,561,411 in fiscal year 2020-21 due to adjustment of the eligibility requirements in the Children's Health Insurance Program (CHIP) and for the DHHS to contract for outreach activities rather than providing them directly. Federal Expenditures Fund allocations and Federal Block Grant Fund allocations will also be required for the FMAP match.

Currently, the CHIP Block Grant ends the year with a \$20 million unexpended balance. However, the increase above would create expenditures above the current CHIP Block Grant funding level. If this bill is approved, the communication with the Centers for Medicare and Medicaid Services (CMS) will have to start early and CMS approval would require them to alter their method of allocating funds to states, giving Maine a bigger block grant. Since an increase in the CHIP Block Grant is not guaranteed, there is a potential that the increased funding would need to be from the general fund.