

STATEMENT OF PURPOSE

RS30959 / H0419

This legislation requires that several program integrity and cost-saving measures be implemented in Medicaid as a condition for the continued expansion of eligibility to able-bodied adults under the Affordable Care Act for the purpose of prioritizing Medicaid resources for the truly needy, moving able-bodied Medicaid enrollees into affordable and private coverage with greater access to healthcare, and reducing overall program spending. These conditions include a work requirement and enrollment caps for able-bodied adults and a requirement that the improper payment rate in Medicaid be reduced to 5 percent or less.

FISCAL NOTE

This legislation should create significant savings for the General Fund or other state funds. The legislation requires that several program integrity and cost-saving measures be implemented in Medicaid as a condition for the continued expansion of eligibility to able-bodied adults to continue. If those conditions are met and the expansion of eligibility to able-bodied adults continues, savings will likely exceed \$163 million, as reducing improper payments in Medicaid to five percent would produce savings of \$136 million and capping total enrollment of able-bodied expansion adults would produce savings of \$27 million. If one or more of the conditions are not met, Medicaid expansion will be effectively repealed, which will produce savings of \$109 million. Therefore, the range of possible savings is likely to be a net decrease in state spending of between \$109 million and \$163 million in state funds.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).