



DEPARTMENT OF AUDITS AND ACCOUNTS

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March 15, 2021

Honorable Ben Watson
Chairman, Senate Health and Human Services
325-A Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 163 (LC 33 8562S)

Dear Chairman Watson,

This bill would direct the Department of Community Health (DCH) to submit a state plan amendment to implement express lane eligibility for the Medicaid and the PeachCare for Kids programs. The amendment would require the Department of Human Services (DHS) to automatically enroll and renew eligible children under the age of 19 in the two programs based on application data received for the Supplemental Nutrition Assistance Program (SNAP).

The bill would result in additional Department of Community Health (DCH) costs for the healthcare benefits. Using pre-pandemic data from calendar year 2019, DCH data suggests a total funding increase of approximately \$119 million, with \$39.5 million of the amount being state funding. DHS would require additional funding of \$9.4 million, with the state share at \$3.7 million.

Healthcare Benefit Costs

Based on 2019 applications, 234,000 children would gain coverage earlier as a result of the bill. This is the number of new SNAP recipients below age 19 whose family did not apply for Medicaid when submitting the SNAP application. In 2020, DHS believes that the pandemic led to more households signing up for both SNAP and Medicaid benefits at the same time, resulting in 123,000 children receiving SNAP but not Medicaid at the same time. For purposes of the fiscal note, we assume that the higher number is more reflective of a typical year.

The bill is estimated to cost the state approximately \$39.5 million. Currently, DCH and DFCS agreed that most children who are enrolled in SNAP are enrolled in Medicaid two to three months later, triggered by presumptive eligibility determinations by hospitals or events like the need for vaccinations to attend school. This bill would reduce the uninsured period for SNAP-eligible children, resulting in a 4.1% increase in total membership. DCH does not expect PeachCare to be impacted by the bill.

Table 1. Additional Medicaid Enrollment

Age Group	Number of Individuals	Per Member Per Month Cost	Member Months	Cost per Age Group
0-11 Months	12,385	\$279	2	\$6,911,153
1-5 Years	60,166	\$166	3	\$30,019,758
6-13 Years	105,091	\$157	3	\$49,636,622
14-18 Years				
Male	30,004	\$172	3	\$15,498,415
Female	26,513	\$216	3	\$17,169,648
Total				\$119,235,596
State				\$39,466,982
Federal				\$79,768,613

Administrative Costs

DHS would incur administrative costs due to increased enrollment and application reviews, as well as programming changes to the Georgia Gateway eligibility system. Additional staff is expected to cost \$8.5 million, with the state portion at \$3.5 million. Eligibility system changes are estimated at \$910,000, with the state share at \$227,500.

- *DFCS Eligibility Staff* – Under this bill, if an applicant for SNAP opts for express lane eligibility and the customer’s SNAP application is denied, DFCS will have to make a separate Medicaid decision. (The percentage of SNAP applications denied during CY 2020 ranged from 25% to 46% and totaled more than 260,000. Many, but not all, included children under age 19.) This increase in Medicaid applications will result in the need for 131 additional staff and additional telecom technology. These telecom costs will allow customers that call in applications the opportunity to conduct an interview and receive a real time decision regarding eligibility.

Table 2. Additional DFCS Eligibility Personnel

Job Title	Staff Needed	Salary Range	Fringe Benefits	Total Cost
Specialist 1	104	\$2,808,000	\$1,734,333	\$4,542,333
Specialist Supervisor	12	\$432,000	\$266,820	\$698,820
Consultant Supervisor	3	\$117,000	\$72,264	\$189,264
Admin Support 3	12	\$291,864	\$180,267	\$472,131
Overhead/ Telecom Costs				\$2,571,399
Total				\$8,473,947
State				\$3,474,318
Federal				\$4,999,629

- *Georgia Gateway* – DHS officials would pay the Georgia Gateway eligibility system vendor for necessary programming changes, above the current contract for maintenance and operations. These one-time charges are estimated to be approximately \$227,500 in state funds (\$910,000 total).

Sincerely,

A handwritten signature in blue ink that reads "Greg S. Griffin". The signature is written in a cursive style with a horizontal line extending from the end.

Greg S. Griffin
State Auditor

A handwritten signature in black ink that reads "Kelly Farr". The signature is written in a cursive style.

Kelly Farr, Director
Office of Planning and Budget