

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2019 REGULAR SESSION**

**MEASURE**

2019 BR NUMBER 1125

SENATE BILL NUMBER 112

**TITLE** AN ACT relating to copayments by medical assistance recipients.

**SPONSOR** Senator Stephen Meredith

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department for Medicaid Services

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

<b>FISCAL ESTIMATES</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>			
<b>EXPENDITURES</b>		\$10,800,000 GF \$43,200,000 FF	\$10,800,000 GF \$43,200,000 FF
<b>NET EFFECT</b>		(\$10,800,000) GF (\$43,200,000) FF	(\$10,800,000) GF (\$43,200,000) FF

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The purpose of the measure is to prohibit copayments, cost sharing, or similar charges in the Medicaid program.

**FISCAL EXPLANATION:** The Department for Medicaid Services (DMS) estimates that the provisions included in Section 1 of the legislation would result in increased Medicaid expenditures of approximately \$54 million. Copayments to Medicaid managed care plans account for \$52.1 million and fee-for-service copayments account for \$1.9 million of the estimated total of \$54 million. Federal Medicaid match rates vary according to the particular Medicaid eligibility group. Assuming a blended Medicaid match rate of 20 percent, DMS estimates that there would be a fiscal impact of \$10.8 million in General Fund and \$43.2 million in Federal Funds in increased Medicaid expenditures.

The provisions included in Section 2 of SB 112 would not have a fiscal impact as the Kentucky Children’s Health Insurance Program currently does not impose copayments.

**DATA SOURCE(S):** Cabinet for Health and Family Services

**PREPARER:** Miriam Fordham **NOTE NUMBER:** 57 **REVIEW:** JAB **DATE:** 2/15/2019

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