

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 11, 2025

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Effect on Future Biennia
Reduction in Recoveries by DHCFP (Expense)		\$3,443,868	\$3,443,868	\$6,887,736
Total	0	\$3,443,868	\$3,443,868	\$6,887,736

Explanation

(Use Additional Sheets of Attachments, if required)

If enacted, this bill would have a fiscal impact on the Division. Specifically, the bill would limit the Division's ability to recover monies currently eligible for recovery under the Medicaid Estate Recovery (MER) program upon the death of certain Medicaid beneficiaries. Estimates were based on the assumption that 75% of eligible individuals would likely transfer qualified trust funds, estates and/or other general recovery-eligible funds to an ABLE account, thus lowering the recoverable amount to the state by at least 75%. These funds are used to offset General Fund costs for the Medicaid program. These reductions in recoverable funds were estimated using a trend factor based on historical recovery collections over last three years.

In sum, the bill would result in a General Fund impact of \$6,887,736 for SFY 26/27.

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Monday, February 10, 2025

Name Tiffany Greenameyer

Title Director