

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 291

PRINTER'S NO. 257

AMOUNT

\$2.2 Million

FUND

Lottery Fund

DATE INTRODUCED

January 27, 2021

PRIME SPONSOR

Representative Labs

DESCRIPTION AND PURPOSE OF BILL

House Bill 291 amends the State Lottery Law to provide that enrollees in the PACE and PACENET program as of December 31, 2020, will remain eligible for the program if the maximum income limit is exceeded due solely to a Social Security cost-of-living adjustment (COLA). Pursuant to Act 95 of 2019, the Social Security COLA 'moratorium' provision expires on December 31, 2021. House Bill 291 would extend the eligibility provision creating a new expiration date of December 31, 2023.

This act shall take effect immediately.

FISCAL IMPACT:

Without an extension of this provision, in Fiscal Year 2021-22, a Social Security cost-of-living adjustment will result in increased income for 15,737 PACENET enrollees causing disqualification and loss of PACENET coverage (a state savings of \$1.4 million), and 2,060 PACE enrollees would qualify for PACENET rather than PACE coverage (a state savings of \$0.8 million). Therefore, maintaining continued eligibility without regard to income changes due to Social Security COLA adjustments for these enrollees will result in a state cost of \$2.2 million for PACENET enrollees who would otherwise lose pharmaceutical assistance benefits and for PACE enrollees who would become PACENET eligible in Fiscal Year 2021-22.

These costs have been assumed in the Fiscal Year 2021-22 budget.