



**State Fiscal Note for Bill
Number: 2021-H-5714**

Date of State Budget Office Approval: Thursday, June 10, 2021

Date Requested: Tuesday, March 9, 2021

Date Due: Friday, March 19, 2021

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2021	\$0	FY 2021	N/A
FY 2022	Range \$1.6 - \$5.5M	FY 2022	N/A
FY 2023	Range \$1.7 - \$5.6M	FY 2023	N/A

Explanation by State Budget Office: THIS FISCAL NOTE HAS BEEN REVISED SINCE THE ORIGINAL SUBMISSION.

This act seeks to expand the Rite Track Program to provide health care coverage to a “noncitizen child who is a resident of Rhode Island,” ensuring that all children, regardless of immigration status, qualify for health insurance under the state’s Rite Track program. The act also seeks to provide healthcare coverage “without regard to availability of federal financial participation” by striking out “in accordance to Title XIX of the Social Security Act (Medicaid).”

Comments on Sources of Funds:

Medicaid expenditures are jointly financed by general revenues and federal funds according to the prevailing (blended) Federal Medicaid Assistance Percentage (FMAP), which is 53.81 percent and 54.68 percent in FY 2021 and FY 2022, respectively. The FY 2023 (blended) FMAP is assumed as equivalent to the final FFY 2022 rate, or 54.68 percent. Under federal law, undocumented immigrants are not eligible to enroll in Medicare, Medicaid, or CHIP, meaning that the cost of ensuring this group of people would be entirely through general revenue.

Summary of Facts and Assumptions:

The Rite Track program is a “payer of last resort program for comprehensive health care for children until they reach nineteen years of age...to provide for expanded Medicaid coverage through expanded family income disregards for children, until they reach nineteen years of age, whose family income levels are up to 250% of the federal poverty level”. Please note that Rite Track referenced in law was a previous name for what is now known as the Children’s Health Insurance Program (CHIP) in Medicaid.

RIGL 42-12.3-3 titled “Medical assistance expansion for pregnant women/Rite Start” defines the Rite Start program in law which covers the “cost of maternity care for any woman who lacks health insurance coverage for maternity care and who is not eligible for medical assistance under Title XIX and title XXI of the Social Security Act including, but not limited to, a noncitizen pregnant woman lawfully admitted for permanent residence on or after August 22, 1996, without regard to the availability of federal financial participation, provided such pregnant woman satisfies all other eligibility requirements.” The 2020 November Caseload Conference estimated a total general revenue only cost of \$170,000 in FY 2021 and \$200,000 in FY 2022 for this program.

Rite Care is Rhode Island’s Medicaid managed care program for families with

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children, pregnant women, and children under age 19. Families have a choice of three participating health plans-Tufts Health Plan, Neighborhood Health Plan of Rhode Island, and UnitedHealthcare Community Plan. Eligibility in Rite Care is based on income and family size: Parents with children under age 18 with income up to 133 percent of the Federal Poverty Level (FPL); Pregnant women with income up to 253 percent of the FPL; Children up to age 19 with income up to 261 percent of the FPL. There is currently no cost for families or children who enroll in a Rite Care health plan.

Rite Smiles is a dental services plan for coverage of children through a Medicaid managed care program.

According to the Rhode Island Executive Office of Health and Human Services, an individual must be able to prove that they are a “citizen or legally-present non-citizen” in order to qualify for Medicaid programs (<https://eohhs.ri.gov/consumer/healthcare>) which is in conformance with federal Medicaid eligibility regulations (<https://www.medicaid.gov/medicaid/eligibility/index.html>). Therefore, the Budget Office assumes that the cost of expanding coverage to non-citizen resident Rhode Islanders under the terms of this bill would be financed entirely through state general revenue funds.

According to the American Immigration Council, Rhode Island is home to an estimated 139,063 immigrants (foreign-born individuals) of which undocumented immigrants comprised 30,000 individuals or 19 percent of the foreign-born population. The same source reports that children comprise 7,613 of the foreign-born population. The Budget Office therefore assumes that the total population potentially made eligible for Medicaid by this bill is 1,446 children (i.e., $7,613 * 19\%$). There is uncertainty around this estimate in that it assumes that undocumented immigrant status is equally likely among children in the general population of foreign-born as in the undocumented population (<https://www.americanimmigrationcouncil.org/research/immigrants-in-rhode-island>).

The high-end assumption of the estimate range assumes that the full 1,446 children enroll in the Rite Care and Rite Smiles program as a result of this bill. The low end of this estimate assumes that 30 percent of the potentially eligible population or 434 children enroll (e.g., $1,446 * 30\%$). The range generally accounts for uncertainty around the estimate. The low end in particular recognizes that many families will fail to meet income eligibility criteria and of the eligible population not all will elect coverage. The 30 percent figure is in line with the total population of Rhode Islanders that are currently enrolled in Medicaid.

The high range analysis assumes that 1,446 children would become eligible and enroll for healthcare under the Rite Care program. To calculate the cost, the estimate uses the Rite Care rate adopted at the November Caseload Estimate Conference for FY 2022; \$295.81 per month. The state would be responsible for 100% of the cost, totaling \$5.1 million.

The low range analysis assumes that 434 children would become eligible and enroll

for healthcare. Under that low range, the cost would be \$1.5 million. Similarly, the state would be responsible for 100% of the cost.

The high range analysis assumes that 1,446 children would become eligible and enroll for dental care under the Rite Smiles program. To calculate the cost, the estimate uses the Rite Smiles rate adopted at the November Caseload Estimate Conference for FY 2022; \$20.50 per month. The state would be responsible for 100% of the cost, totaling \$355,716 million.

The low range analysis assumes that 434 children would become eligible and enroll for healthcare. Under that low range, the cost would be \$106,764 million. Similarly, the state would be responsible for 100% of the cost.

As a benchmark to the Rhode Island specific estimate, the Center for Immigration Studies, a national organization, estimates the cost to insure 4.9 million uninsured undocumented immigrants with incomes low enough to qualify for subsidies at \$22.6 billion or \$4,600 per person each year (100% of all people enroll). On the low range utilizing a more realistic enrollment rate, the group estimates a cost of \$10.4 billion each year utilizing an enrollment figure of 2.5 million people or \$4,200 per person each year. Using the same enrollment figures mentioned above, if all 1,446 children enrolled, the total cost utilizing this report's enrollee averages would be \$6,073,200. If a low range estimate of 434 children were to enroll, the total cost to the state would be \$1,822,800 at \$4,200 per child.

The estimate inflates the FY 2023 impact by 2.1 percent consistent with assumptions for Medicaid Growth in the Governor's Recommended Budget.

The Budget Office assumes this legislation would be effective on July 1, 2021 (FY 2022)

Summary of Fiscal Impact:

FY 2021: No fiscal impact reported due to timing of passage.
FY 2022: Range \$1,647,342 - \$5,488,611
FY 2023: Range \$1,681,937 - \$5,603,872

Budget Office Signature:


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Fiscal Advisor Signature:



