

**BILL SUMMARY**  
1<sup>st</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 1792</b>
<b>Version:</b>	<b>Introduced (5964)</b>
<b>Author:</b>	<b>Rep. Chuck Hoskin</b>
<b>Date:</b>	<b>February 8, 2009</b>
<b>Impact:</b>	<b>\$0</b>

**Bill Summary**

Research Analyst: Marcia Goff

The measure exempts the value of farm equipment from the income eligibility determination for the Medicaid program for children and for the Insure Oklahoma program.

**Fiscal Summary**

Fiscal Analyst: Mark Newman

HB 1792, as introduced, amends the Oklahoma Medicaid Program Reform Act of 2003 by exempting the value of farm equipment from the determination of income eligibility for children applying for Medicaid services.

**Fiscal Analysis**

Based on information provided by the Oklahoma Health Care Authority (OHCA), HB 1792, as introduced, proposes to exclude the valuation of farm equipment from the determination of income eligibility for children under 18 years of age whose family income do not exceed 185% of the federal poverty level (FPL). In this instance, valuation of farm equipment is relevant only as it pertains to excludable resources, not income determinations. When determining eligibility for children and persons categorically related to Aid to Families with Dependent Children (AFDC), a declaration of income is required, but no resource tests are applied, thereby eliminating the need for the revision.

In determining eligibility for the Aged, Blind, and Disabled (ABD) populations, resource tests are applied and OAC 317:35-5-41.1(b)(11)(A) currently provides for the exclusion of real and/or personal property that is income producing.

Another provision of HB 1792 seeks to exclude the valuation of farm equipment from the determination of income eligibility for Insure Oklahoma (IO). Eligibility into the IO Individual Plan is income driven and no resource tests are applied. The value of farm equipment is not considered "income" but the yearly depreciation deduction on the equipment affects an individual's adjusted gross income (AGI). Currently depletion & depreciation deductions taken on non-cash items are added back into an individual's income when determining eligibility into the IO Individual Plan. This legislation allows for the depreciation deduction on farm equipment to be exempt when determining income eligibility for IO, there would be a impact to the funding for the IO program because more individuals would become eligible.

The legislation will require no additional appropriated dollars as long as there is funding capacity available through the current tobacco tax revenue supporting the Insure Oklahoma program. The

projected increase in the pool of potential enrollees cannot be determined at this time due to the lack of data related to who may be qualified with this change.

**Long Term Fiscal Considerations**

None

Fiscal Analysis Reviewed By:

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