

**HF3413 - 0 - State ID; Persons Eligible for Medical Assistance**

Chief Author: **Luke Frederick**  
 Committee: **Transportation Finance and Policy**  
 Date Completed: **3/22/2022 8:26:25 PM**  
 Lead Agency: **Public Safety Dept**  
 Other Agencies:  
     Human Services Dept

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Public Safety Dept</b>						
Restrict Misc. Special Revenue	-	-	443	443	443	443
State Total						
Restrict Misc. Special Revenue	-	-	443	443	443	443
<b>Total</b>	-	-	<b>443</b>	<b>443</b>	<b>443</b>	<b>443</b>
<b>Biennial Total</b>			<b>443</b>			<b>886</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Public Safety Dept</b>					
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Laura Cecko    **Date:** 3/22/2022 8:26:25 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Public Safety Dept</b>						
Restrict Misc. Special Revenue		-	-	443	443	443
<b>Total</b>		-	-	<b>443</b>	<b>443</b>	<b>443</b>
<b>Biennial Total</b>				<b>443</b>		<b>886</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Public Safety Dept						
Restrict Misc. Special Revenue		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
Public Safety Dept						
Restrict Misc. Special Revenue		-	-	(443)	(443)	(443)
<b>Total</b>		-	-	<b>(443)</b>	<b>(443)</b>	<b>(443)</b>
<b>Biennial Total</b>				<b>(443)</b>		<b>(886)</b>

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 Committee: **Transportation Finance and Policy**  
 Date Completed: **3/22/2022 8:26:25 PM**  
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024
Restrict Misc. Special Revenue	-	-	443	443	443
<b>Total</b>	-	-	<b>443</b>	<b>443</b>	<b>443</b>
<b>Biennial Total</b>			<b>443</b>		<b>886</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Laura Cecko      **Date:** 3/14/2022 4:41:52 PM  
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**State Cost (Savings) Calculation Details**

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\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Restrict Misc. Special Revenue	-	-	443	443	443	443
<b>Total</b>	-	-	<b>443</b>	<b>443</b>	<b>443</b>	<b>443</b>
<b>Biennial Total</b>			<b>443</b>			<b>886</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Restrict Misc. Special Revenue	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
Restrict Misc. Special Revenue	-	-	(443)	(443)	(443)	(443)
<b>Total</b>	-	-	<b>(443)</b>	<b>(443)</b>	<b>(443)</b>	<b>(443)</b>
<b>Biennial Total</b>			<b>(443)</b>			<b>(886)</b>

**Bill Description**

This bill allows individuals who are eligible for medical assistance and have been treated for a substance use disorder within the last 12 months to receive an identification card or driver’s license without payment of fees.

**Assumptions**

Assume Department of Public Safety Driver and Vehicle Services Division (DPS-DVS) will require written verification from Department of Human Services (DHS) or other agency that receives government funding for medical assistance for substance use disorder treatment demonstrating that the applicant is eligible for fee waiver.

Assume fee waiver to be upon new or renewal of identification card (ID) or driver’s license (DL) for Minnesotans who have been treated for a substance use disorder within the last 12 months.

Assume fee waiver includes all fees as described in 171.06, subdivision 2, including new credential fees, renewal fees, duplicate fees, and filing fees, including filing fees charged by Driver’s License Agents (DLA).

Assume Enhanced DLs/IDs are not included. Assume the \$15 federal fee per Enhanced credential for radio frequency identification (RFID) technology is not waived.

Assume in FY21, Department of Human Services determined there were 86,781 Minnesotans on medical assistance that were also treated for a substance use disorder in FY21.

Assume 25% of 86,781, participants eligible for the fee waiver apply per year (86,781 x .25 = 21,695).

Assume 77% is the average credential renewal rate based on the current rate of 69% standard credential renewal and 85% REAL ID renewal (69% + 85% ÷ 2 = 77%).

Assume 5% is the average number of new credentials issued per year based on the current rate of 5.3% standard credentials issued and 4.75% REAL ID credentials issued (5.3% + 4.75% ÷ 2 = 5%).

Assume 82% of the 21,695 eligible applicants would apply for a new, or to renew, a credential (77% + 5% = 82%). Assume 17,790 of eligible applicants apply for or renew a credential. (21,695 x .82 = 17,790)

Assume revenue loss of \$373,590 in credential fees to the Driver’s Services Operating Account (DSOA). (17,790 x \$21

=\$373,590)

Assume 5% of the 21,695 eligible applicants would apply for a duplicate credential for a total of 1,085 duplicate credentials.  $(21,695 \times .05 = 1,085)$ .

Assume revenue loss of \$7,324 in duplicate fees to the DSOA.  $(1,085 \times \$6.75 = \$7,324)$

Assume total revenue loss in the DSOA in the amount of \$380,914 in each FY for fees waived under this provision.  $(\$373,590 + \$7,324 = \$380,914)$

Assume the filing fee of \$8 per credential application is also waived.

Assume 13% of all credential transactions occur at DPS-DVS exam stations with the remaining 87% occurring at DLA locations.

Assume \$19,632 lost revenue in filing fees for DPS-DVS.  $(18,875 \text{ eligible applicants} \times .13 = 2,454 \times \$8 = \$19,632)$

Assume the \$2.25 tech surcharge is also waived. Assume loss of \$42,469 to the Driver and Vehicle Services Technology Account.  $(18,875 \text{ eligible applicants} \times \$2.25 = \$42,469)$

Assume an effective date of August 1, 2022.

Assume 2 weeks (80 hours) of MNDRIVE programming cost will be needed to add medical assistance substance use disorder fee waiver option. Assume hourly rate of \$200 for a total programming cost of \$16,000  $(80 \text{ programming hours} \times \$200 \text{ per hour} = \$16,000)$ . Assume programming costs to be absorbed under the current maintenance and support contract with FAST Enterprises, at no additional cost to DVS.

### **Expenditure and/or Revenue Formula**

#### FY23 Expenditures

##### **Restricted Miscellaneous Special Revenue Fund Driver Services Operating Account**

\$373,590 fees for new, and renewed credentials + \$7,324 in fees for duplicate credentials = \$380,914

2,454 applications at DPS-DVS exam stations x \$8 filing fee = \$19,632 revenue loss in filing fees

Total Revenue loss Restricted Misc. Special Revenue Fund Driver Services Operating Account FY 2023 = (\$400,546)

##### **Restricted Miscellaneous Special Revenue Fund Driver and Vehicle Services Technology Account**

18,875 eligible applicants \$2.25 technology fee = \$42,469

Total Revenue loss Restricted Misc. Special Revenue Fund Driver and Vehicle Services Technology Account FY 2023 = (\$42,469)

#### FY24 and Beyond Expenditures

##### **Restricted Miscellaneous Special Revenue Fund Driver Services Operating Account**

\$373,590 fees for new, and renewed credentials + \$7,324 in fees for duplicate credentials = \$380,914

2,454 applications at DPS-DVS exam stations x \$8 filing fee = \$19,632 revenue loss in filing fees

Total Revenue loss Restricted Misc. Special Revenue Fund Driver Services Operating Account FY 2024 = (\$400,546)

##### **Restricted Miscellaneous Special Revenue Fund Driver and Vehicle Services Technology Account**

18,875 eligible applicants \$2.25 technology fee = \$42,469

Total Revenue loss Restricted Misc. Special Revenue Fund Driver and Vehicle Services Technology Account FY 2024 = (\$42,469)

**Long-Term Fiscal Considerations**

DPS-DVS is fee based and must take in amounts in fees to cover the operations appropriation. Any reduction in fees generated for the DSOA and Driver and Vehicle Services Technology Account could have impacts to the long-term solvency of these special revenue accounts.

**Local Fiscal Impact**

**References/Sources**

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Chief Author: **Luke Frederick**  
 Committee: **Transportation Finance and Policy**  
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 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Steve McDaniel    **Date:** 3/22/2022 8:01:40 PM  
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**State Cost (Savings) Calculation Details**

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Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

Section 1 requires the commissioner of transportation or driver's license agent to issue an ID card and waive fees to persons who are eligible for Medical Assistance (MA) and have received treatment for substance use disorder (SUD) in the last 12 months as specified.

**Assumptions**

The Department of Human Services (DHS) assumes that confirmation of MA eligibility and participation is only allowable with the express consent of the enrollee as it is considered Protected Health Information (PHI). DHS also assumes that confirmation of MA eligibility will be conducted by processing entities including tribes and counties, as those entities process eligibility determinations for MA.

SUD treatment data is also PHI, so DHS assumes that any information provided about SUD treatment cannot be shared without the consent of the enrollee. DHS further assumes that the department cannot attest accurate and current substance use disorder treatment information, as providers have up to 12 months to submit claims, and department data would be out-of-date as compared to provider data. This delay in receipt and reporting of current records may result in denial of potentially eligible participants. Thus, DHS assumes that this data must come directly from service providers.

Therefore, no impact to DHS is assumed as a result of this bill.

**Expenditure and/or Revenue Formula**

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

This bill may create additional work for county and tribal processing entities who are assumed to provide the attestation that the individual is eligible for MA and has received SUD services in the last 12 months.



**References/Sources**

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