



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3536 Introduced on January 19, 2017
Author: Henegan
Subject: Division on Aging
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Kokolis
Impact Date: January 26, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

The bill's expenditure impact on the General Fund is undetermined, as it depends upon the level of funding provided for the program. The bill will require one additional FTE. There is no expenditure impact on Other Funds or Federal Funds.

Explanation of Fiscal Impact

Introduced on January 19, 2017

State Expenditure

This bill directs the Division on Aging to fund a program to provide subsidies to low-income senior citizens to purchase a personal emergency response system and pay monthly service fees and charges. The division is authorized to establish a sliding scale for the subsidy based on the senior's income, and seniors who are eligible for a personal emergency response system through Medicare, Medicaid, or other health insurance are entitled to a subsidy only toward the cost not covered by insurance. The division may contract with private or public organizations to coordinate and administer the program.

Lieutenant Governor's Office. This bill does not define low-income or specify the amount of the subsidy, except to allow the subsidy to vary based on a senior's income and insurance coverage. Consequently, the expenditure impact of this bill on the General Fund is dependent upon the level of funding provided, and is, therefore, undetermined. However, to provide an indication of the potential expenditure impact, the cost to subsidize the personal emergency system is estimated in the following paragraph, based on the stated assumptions.

If the subsidy covered the full cost of a personal emergency response system for each senior, whose income is below the United States Census Bureau's (bureau) poverty threshold, the annual cost would be \$56,034,300. This amount is based upon census data that 16.2 percent of South Carolina's total population of 4,961,119 is 65 years of age or older, and 16.6 percent of the state's population has income below the bureau's poverty threshold. Calculating from this data, 133,415 seniors would qualify for a subsidy. The Lieutenant Governor's Office indicates the average cost of an in-home emergency monitoring system with fall detection is \$35 a month for a total of \$420 annually. If all seniors whose income is below the poverty threshold received a subsidy for the full cost of the emergency monitoring system, the expenditure impact on the General Fund would be \$56,034,300 a year. As the aging population continues to rise, this figure would increase.

In addition to the cost of subsidizing the emergency response systems, the Lieutenant Governor's Office indicates there would be a cost to administer the program. The office estimates it would need one additional FTE at the state level to oversee and administer the program at an annual salary and employer contributions of \$60,300, plus \$11,500 in operating expenses. The cost to manage and operate the program at the area agencies on aging is estimated at \$1,005,200, based on 8 local agencies needing one additional staff at the same salary, and the 3 larger local agencies needing two. The local agency cost is based on staff receiving the same salary, employer contributions and operating expenses as the additional staff in the Lieutenant Governor's Office. The local agency staff would be employees of the local agencies, but funded with allocations from program appropriations. In total, the cost to administer the program is estimated as \$1,077,000. Adding the estimated cost of the emergency monitoring systems and program administration expenses, the total expenditures would be approximately \$57,111,300 under the assumptions.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director