



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 5234 Introduced on February 18, 2020
Author: Henegan
Subject: Department on Aging
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Gallagher
Impact Date: February 26, 2020

Fiscal Impact Summary

This bill requires the Department on Aging to fund a program to provide low-income senior citizens with subsidies to purchase a personal emergency response system and pay monthly service fees and charges. This bill will increase the department's recurring General Fund expenses by up to \$13,542,900 beginning in FY 2020-21 to provide these subsidies and \$70,800 beginning in FY 2020-21 for the hire and operating expenses of one FTE to oversee and administer the program. In total, this bill will increase recurring General Fund expenditures by up to \$13,613,700 per year beginning in FY 2020-21 to provide personal emergency response subsidies and administer the program.

Explanation of Fiscal Impact

Introduced on February 18, 2020

State Expenditure

This bill requires the Department 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 department 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 department may contract with private or public organizations to coordinate and administer the program.

The Department on Aging. 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. 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 poverty threshold, the annual cost would be \$13,542,900. This amount is based upon 2017 census data which indicates that, of the 315,377 seniors 75 years of age or older in the state, 10.2 percent of them fall below the federal poverty level. Calculating from this data, 32,245 seniors would qualify for a subsidy. The department 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 departments recurring General Fund expenses would increase by \$13,542,900 beginning in FY 2020-21. If the aging population continues to rise, this figure would increase.

In addition to the cost of subsidizing the emergency response systems, the department indicates there would be a cost to administer the program. The office estimates it would need one additional FTE to oversee and administer the program at an annual salary and employer contributions of \$60,300, with an additional expense of \$10,500 in operating expenses. This would increase recurring General Fund expenses by \$70,800 per year beginning in FY 2020-21.

In total, the estimated cost of the emergency monitoring systems and program administration would increase the department's General Fund expenses by up to \$13,613,700 per year beginning in FY 2020-21.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director