



FISCAL NOTE

House Bill 177

Committee: Judiciary

Sponsor: Representative Ben Robbins

Analyst: Tiffany Weaver

Date: 03/05/2025

House Bill 177 as reported by the Committee on Judiciary could decrease the obligations of the Alabama Medicaid Agency by an estimated maximum of \$3,000 per child who would have been covered by Medicaid, under current law, but, pursuant to this bill, who would be covered, pursuant to a court order, by their non-custodial parent's private health insurance .

According to the agency, approximately 50,000 children that are enrolled in Alabama's Medicaid Program also have third-party health coverage. The annual cost of medical expenses as payor of last resort for these children is approximately \$45 million annually (\$12.3 million paid from state funds and \$32.7 million in federal funds).

Further, this bill would allow the agency to recover, through civil judgment or income tax garnishment, any amounts paid by Medicaid for medical care of children that are eligible to be on their non-custodial parent's private health insurance pursuant to a court order, as permissible by state or federal law.