

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5062-01
Bill No.: SB 1063
Subject: Transportation; Elderly; Health Department
Type: Original
Date: April 3, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(Up to \$10,000)	(Up to \$10,000)	(Up to \$10,000)
Total Estimated Net Effect on General Revenue Fund	(Up to \$10,000)	(Up to \$10,000)	(Up to \$10,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Lieutenant Governor** and the **Department of Mental Health** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state DMS currently provides non-emergency medical transportation (NEMT) services through a broker for all Medicaid recipients under a federally funded category of assistance. NEMT allows a recipient to access transportation at a cost of \$3.00 per trip co-payment when applicable or reimbursement for mileage. When no co-payment is required, the transportation is provided at no charge to the recipient. Mileage is reimbursed through the NEMT program at the Internal Revenue Service rate for medical mileage in effect on the date of transport (currently \$.18 per mile). The broker also contracts with volunteer drivers to provide transportation and receive reimbursement at the rate of \$.35 per mile. The proposed mileage reimbursement rate is set at the state employee rate under section 33.095 RSMo, which is currently higher than the rate available to recipients but lower than the rate available for volunteers through the NEMT program.

DMS also provides NEMT services through interagency agreements with entities (referred to herein as "public entities"). The public entity agreement allows an entity, who receives state or

ASSUMPTION (continued)

local monies for transportation, to track and invoice the DMS for transportation services provided to Medicaid eligible recipients. There are no costs to Medicaid recipients for NEMT services provided under these agreements. Through these agreements, the DMS is able to draw federal administrative matching funds of fifty percent (50%) based on the entities annual certified amount. Currently, only one of the ten AAAs in the state have a public entity agreement with the DMS. DMS assumes that this proposal would not override the AAA's requirements for Medicaid recipient transportation as outlined in the interagency agreements. Requirements include not charging recipients for transport and to provide transport in the most appropriate and least costly manner.

Based on the above transportation availability and proposed legislation assumptions, there would be a potential to increase NEMT availability and decrease the cost of the NEMT broker system. However, this decrease would occur only if a significant number of trips were provided under the AAA rather than the broker, thus decreasing utilization of broker services. The DMS assumes that a significant number of trips will not transfer from the broker to the AAA. Therefore, there is no fiscal impact to the DMS.

Officials from the **Department of Health and Senior Services (DOH)** assume each Area Agency on Aging (AAA) may request funding of up to \$1,000 from the DOH and subject to appropriations. DOH states funding is sent to the AAA via contract through program specific distribution appropriations. DOH states there are ten AAAs and if funds were appropriated of \$1,000 each, the DOH could incur expenses up to \$10,000.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE

Costs - Department of Health and Senior Services

Program costs	<u>(Up to \$10,000)</u>	<u>(Up to \$10,000)</u>	<u>(Up to \$10,000)</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE**

	<u>(Up to \$10,000)</u>	<u>(Up to \$10,000)</u>	<u>(Up to \$10,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

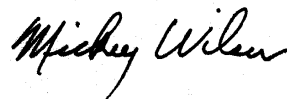
This proposal authorizes each area agency on aging to establish a program that provides for volunteers to provide transportation services for elderly persons to health care facilities for scheduled appointments or for other health care-related purposes. Volunteers shall utilize their own vehicles and shall be reimbursed by the agency for miles driven in providing such transportation services. The agency may encourage passengers to reimburse the agency for all or part of the cost of providing such services. Subject to appropriations, each area agency may request funding of up to \$1,000 annually from the department of health and senior services to assist with the costs of administering this program.

The provisions of this proposal shall sunset in six years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Missouri Lieutenant Governor



L.R. No. 5062-01
Bill No. SB 1063
Page 5 of 5
April 3, 2006

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April 3, 2006

CM:LR:OD (12/02)