

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0486-01
Bill No.: HB 98
Subject: Elderly; Health Department; Transportation
Type: Original
Date: January 4, 2007

Bill Summary: Authorizes volunteer transportation services for the elderly.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(Up to \$115,000)	(Up to \$115,000)	(Up to \$115,000)
Total Estimated Net Effect on General Revenue Fund	(Up to \$115,000)	(Up to \$115,000)	(Up to \$115,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health** and the **Office of the Lieutenant Governor** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services** assume the proposal would have no fiscal impact on their agency.

In response to identical legislation in 2006 the Department of Social Services - Division of Medical Services (DMS) stated they provide 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. The broker also contracts with volunteer drivers to provide transportation and receive reimbursement at the rate of \$.35 per mile.

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 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 Area Agencies on Aging (AAA) in the state have a public entity agreement with the DMS. The assumption is made that this legislation would not override the AAA's requirements for Medicaid recipient transport 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** assume that section 660.725.1 to .4 will not have any fiscal impact on the department as Area Agencies on Aging are already providing volunteers to provide transportation wherever possible. Section 660.725.5 indicates that subject to appropriations, each county under jurisdiction of an Area Agency on Aging may request funding of up to one thousand dollars annually from the Department of Health and Senior Services to help cover costs associated with administering this program.

There are 114 counties plus the city of St. Louis under jurisdiction of Area Agencies on Aging (AAA). If funds were appropriated at the maximum rate of one thousand dollars per county, then the department would incur expenses of \$115,000 annually. Funding is sent to the AAA via contract through program specific distribution appropriations. Since the language in the bill indicates, "subject to appropriations", the costs are shown as a range of \$0 (no funds appropriated) to \$115,000 (funding of \$1,000 per county). For the purposes of this estimate, DHSS assumes that the city of St. Louis would be eligible to receive \$1,000 annually as well as the 114 counties in Missouri.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost - Department of Health and Senior Services</u>			
Program costs	<u>(Up to \$115,000)</u>	<u>(Up to \$115,000)</u>	<u>(Up to \$115,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Up to \$115,000)</u>	<u>(Up to \$115,000)</u>	<u>(Up to \$115,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

FISCAL DESCRIPTION

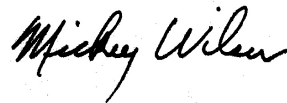
This proposal authorizes each area agency on aging to establish a program that provides for volunteers to provide transportation services for elderly persons to health care facilities for scheduled appointments or for other health care-related purposes. Volunteers shall utilize their own vehicles and 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 county under jurisdiction of an Area Agency on Aging 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
Office of the Lieutenant Governor



Mickey Wilson, CPA
Director
January 4, 2007