

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1028-04
Bill No.: SB 407
Subject: Health Care Professionals; Health Care; Hospitals; Medical Procedures and Personnel; Medicaid
Type: Original
Date: March 9, 2015

Bill Summary: This proposal provides for the reimbursement of emergency medical services for MO HealthNet participants by hospitals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$45,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$45,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses in FY 2016 net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state section 208.320 provides that when a MO HealthNet participant receives services in an emergency department which fall under Current Procedural Terminology emergency department levels 1 to 3, such services shall be reimbursed at no greater than 100 percent of the Medicare reimbursement base rate.

MHD reimburses hospitals for certain outpatient hospital services based on the Outpatient Payment Percentage, per 13 CSR 70-15.160. However, note that most Laboratory Services and some Radiology Services are paid on a fee schedule. Each hospital has an Outpatient Payment Percentage calculated respective to their facility which is calculated annually and prior to the start of each state fiscal year. On an annual basis, MHD is required to submit to the Centers for Medicare and Medicaid Services (CMS) an Outpatient Upper Payment Limit (UPL) Demonstration to ensure the amount allowed by Medicare is not exceeded. In the UPL demonstration, Missouri hospitals are grouped into one of three categories (state government owned or operated, non-state government owned or operated, and privately owned or operated) to demonstrate compliance with the aggregate UPL limitations. Therefore, MHD does not anticipate any additional costs or savings to the hospital program.

Based on similar work completed in the past, MHD estimates \$65,000 in MMIS (Medicaid Management Information System) system work and another \$25,000 in contract staff time for a total cost of \$90,000. Costs are split 50% General Revenue and 50% Federal Funds.

Officials from the **Department of Mental Health** assume the proposal would not fiscally impact their agency.

Officials from the following **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Medical Center, Putnam County Memorial Hospital, Washington County Memorial Hospital and the University of Missouri did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND (\$208.320)			
<u>Costs - DSS-MHD</u>			
MMIS contract services	<u>(\$45,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$45,000)</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS (\$208.320)			
<u>Income - DSS-MHD</u>			
Increase in program reimbursements	\$45,000	\$0	\$0
<u>Costs - DSS-MHD</u>			
MMIS contract services	<u>(\$45,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<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.

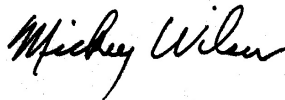
FISCAL DESCRIPTION

This proposal provides that when an MO HealthNet participant receives Current Procedural Terminology emergency department levels 1 to 3 services, such services shall be reimbursed at no greater than 100 percent of the Medicare reimbursement base rate.

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 Mental Health
Department of Social Services -
MO HealthNet Division



Mickey Wilson, CPA
Director
March 9, 2015

Ross Strope
Assistant Director
March 9, 2015