

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3185-02
Bill No.: SB 751
Subject: Children and Minors; Health Care; Health Care Professionals; Medicaid; Medical Procedures and Personnel
Type: Original
Date: February 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General	(\$1,636)	(\$1,636)	(\$1,636)
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,636)	(\$1,636)	(\$1,636)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Revenues and expenditures would net to \$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposed legislation would have a fiscal impact to the DMS. However, the DMS is taking a core cut for circumcisions in Fiscal Year 2003. Therefore, Missouri Medicaid will not longer cover circumcisions unless it is medically necessary. The DMS states due to this core cut there is not a cost savings. However, the DMS currently does not require a second opinion. Based on calendar year 2000, it is estimated that 211 circumcisions done are medically necessary and the average cost is \$20 for a visit. The DMS assumes the fiscal impact is unknown, greater than \$4,220.

Oversight assumes costs will be \$4,220 per year based on fiscal year 2000.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
Medicaid program costs	<u>(\$1,636)</u>	<u>(\$1,636)</u>	<u>(\$1,636)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$1,636)</u>	<u>(\$1,636)</u>	<u>(\$1,636)</u>
FEDERAL FUND			
<u>Income - Department of Social Services</u>			
Medicaid reimbursements	\$2,584	\$2,584	\$2,584
<u>Costs - Department of Social Services</u>			
Medicaid program costs	<u>(\$2,584)</u>	<u>(\$2,584)</u>	<u>(\$2,584)</u>
ESTIMATED NET EFFECT ON FEDERAL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

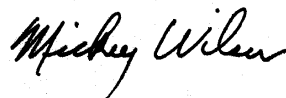
DESCRIPTION

This proposal prohibits Medicaid from reimbursing providers for nontherapeutic circumcisions. A new section 208.661 defines "nontherapeutic circumcision" as a routine or elective circumcision which does not meet the criteria of a medically necessary treatment. In order for Medicaid to reimburse for a circumcision, two physicians must verify in writing the examination and a diagnosis that it is medically necessary. Medicaid should also reimburse if the provider gives proof of a written notice of necessity due to religious beliefs. Any claim for reimbursement that does not meet the criteria will constitute an act of unprofessional conduct and the provider and other responsible parties will be civilly liable or subject to professional disciplinary action.

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 Insurance
Department of Social Services -
Division of Medical Services



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