

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6304-01  
Bill No.: HB 2496  
Subject: Medicaid/MO HealthNet; Social Services Department; Emergencies  
Type: Original  
Date: March 1, 2016

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Bill Summary: This proposal changes the laws regarding reimbursement for emergency medical transportation under the MO HealthNet program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue*	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Unknown income and expenses net to \$0.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Unknown income and transfers-out net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **Callaway County Ambulance District** state they could seek an additional estimated \$208,405 in reimbursement for services provided to Medicaid patients on an annual basis.

Officials from **St. Louis County** and the **Cass Regional Medical Center** each assume the proposal would not fiscally impact their respective agencies.

**Oversight** notes the Department of Social Services (DSS) is to seek necessary federal approvals for the implementation of this program. For fiscal note purposes, Oversight assumes DSS is granted the necessary federal approvals.

Participation in the program by providers is voluntary as long as the providers meet the provisions of the proposal. DSS will submit claims for federal financial participation for the expenditures of services that are allowable under federal law, as well as any necessary materials that will provide assurance that the claims provided by ambulance services only include those expenditures that are allowable under federal law. Eligible providers must enter into agreements with the department, as a condition of receiving supplemental reimbursements, to reimburse the DSS for the costs of administering the program.

**Oversight** assumes the DSS will incur unknown costs to implement/set up the program in FY 2017 and assumes that reimbursements from providers will cover DSS costs, both in 2017 and in subsequent years and that the net effect to the General Revenue Fund will be \$0. All costs and reimbursements are unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE FUND</b>			
<u>Income / Transfers- In - DSS</u>			
Reimbursements from participating providers	Unknown	Unknown	Unknown
<u>Costs - DSS</u>			
Implementation of the supplemental reimbursement program	(Unknown)	\$0	\$0
Costs of operating supplemental reimbursement program	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - DSS</u>			
Supplemental reimbursements	Unknown	Unknown	Unknown
<u>Transfer-Out - to Local Governments</u>			
Supplemental reimbursements	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>LOCAL GOVERNMENTS - AMBULANCE SERVICES</b>			
<u>Income / Transfers-In - from DSS</u>			
Supplemental reimbursements	Unknown greater than \$208,000	Unknown greater than \$208,000	Unknown greater than \$208,000
<u>Costs - Ambulance services</u>			
Provision of claims information to DSS	(Unknown)	(Unknown)	(Unknown)
<u>Transfers-Out - to DSS</u>			
Reimbursement of DSS program costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS -</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The bill permits an eligible provider to receive MO HealthNet supplemental reimbursement to the extent provided by law in addition to the rate of payment that the provider would otherwise receive for Medicaid ground emergency medical transportation services. A provider must be eligible for Medicaid supplemental reimbursement if the provider meets specified characteristics during the state reporting period and an eligible provider's Medicaid supplemental reimbursement must be calculated and paid as specified in the bill. An eligible provider, as a condition of receiving supplemental reimbursement, must enter into and maintain an agreement with the designee of the Department of Social Services for the purposes of implementing the provisions of the bill and reimbursing the department for the costs of administering these provisions. The non-federal share of the supplemental reimbursement submitted to the Centers for Medicare and Medicaid Services for purposes of claiming federal financial participation must be paid and certified as specified in the bill.

FISCAL DESCRIPTION (continued)

The bill delineates the process for an applicable governmental entity elects to seek supplemental reimbursement on behalf of an eligible provider owned or operated by the entity. The bill authorizes the department to seek any necessary federal approvals for the implementation of the provisions of the bill and permits the department to limit the program to those costs that are allowable expenditures under Title XIX of the Social Security Act.

The bill authorizes the department to design and implement in consultation and coordination with eligible providers an intergovernmental transfer program relating to ground emergency medical transport services, including specified services, in order to increase capitation payments for the purpose of increasing reimbursement to eligible providers. A provider is eligible for increased reimbursement under this section only if the provider meets certain conditions in an applicable state fiscal year. To the extent intergovernmental transfers are voluntarily made by and accepted from an eligible provider or a governmental entity affiliated with an eligible provider, the department must make increased capitation payments as specified in the bill to applicable MO HealthNet managed care plans and coordinated care organizations for covered ground emergency medical transportation services.

The intergovernmental transfer program must be implemented on the date federal approval is obtained, and only to the extent intergovernmental transfers from the eligible provider, or the governmental entity with which it is affiliated, are provided for this purpose. The department must implement the intergovernmental transfer program and increased capitation payments on a retroactive basis as permitted by federal law. Participation in the intergovernmental transfers is voluntary on the part of the transferring entities for purposes of all applicable federal laws.

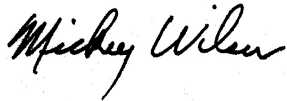
The bill specifies conditions of participation for MO HealthNet managed care plans, coordinated care organizations, eligible providers, and governmental entities affiliated with eligible providers. The provisions of the bill must be implemented only if and to the extent federal financial participation is available and is not otherwise jeopardized, and any necessary federal approvals have been obtained. To the extent that the director of the department determines that the payments made under the provisions of the bill do not comply with federal Medicaid requirements, the director retains the discretion to return or not accept an intergovernmental transfer, and may adjust payments as necessary to comply with federal Medicaid requirements.

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

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SOURCES OF INFORMATION

St. Louis County  
Callaway County Ambulance District  
Cass Regional Medical Center



Mickey Wilson, CPA  
Director  
March 1, 2016

Ross Strobe  
Assistant Director  
March 1, 2016