

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 176
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB176-DHSS-HCMS-04-06-17
Title: GROUND EMER. MEDICAL TRANSPORT
PAYMENTS
Sponsor: FANSLER
Requester: House HSS

Department: Department of Health and Social Services
Appropriation: Medicaid Services
Allocation: Health Care Medicaid Services
OMB Component Number: 2077

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services			109.0	109.0	109.0	109.0	109.0
Commodities							
Capital Outlay							
Grants & Benefits			7,475.5	7,475.5	7,475.5	7,475.5	7,475.5
Miscellaneous							
Total Operating	0.0	0.0	7,584.5	7,584.5	7,584.5	7,584.5	7,584.5

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)			3,792.3	3,792.3	3,792.3	3,792.3	3,792.3
1108 Stat Desig (Other)			3,792.2	3,792.2	3,792.2	3,792.2	3,792.2
Total	0.0	0.0	7,584.5	7,584.5	7,584.5	7,584.5	7,584.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/18**

Why this fiscal note differs from previous version:

Not applicable; initial version.

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Division: <u>Health Care Services</u>	Date: <u>04/06/2017 12:00 PM</u>
Approved By: <u>Shawnda O'Brien, Assistant Commissioner</u>	Date: <u>04/06/17</u>
Agency: <u>Health and Social Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB176

Analysis

HB176 directs the department to develop a program to provide supplemental reimbursement to eligible ground emergency medical transportation service providers for the cost of providing services to medical assistance recipients. The amount of the supplemental reimbursement must be equal to the amount of the federal financial participation that the department receives as reimbursement for the provider's cost for the ground emergency medical transportation services, less any administrative expenses.

HB176 allows the department to charge an administrative fee to a provider who participates in the program to cover the department's costs for administering the program. However, this fee is capped at 20 percent of a provider's costs for providing ground emergency medical transportation services. The department will charge an administrative fee to pay for one full-time Medical Assistance Administrator II position. All of the fees to support this program will be collected in the Health Care Medicaid Services component. The funds to support this position will be transferred from the Health Care Medicaid Services component to the Medical Assistance Administration component via a reimbursable services agreement.

The bill stipulates that the amount a provider receives in supplemental reimbursements under the program, when combined with the amount the provider receives from all other sources, including medical assistance reimbursement under the state plan, may not exceed the provider's actual cost for providing ground emergency medical transportation services to medical assistance recipients.

At this time the department has no way of knowing what the actual cost is for providing ground emergency medical transportation services to medical assistance recipients since providers only submit a claim for services. In FY2016 the department reimbursed 15,362 episodes/units of ground emergency medical transportation. The average claim submitted for reimbursement was \$768.46. The average reimbursement per unit to the provider was \$274.74. This leaves an average unreimbursement amount of \$493.72. Annually, the average total reimbursement for FY2016 was \$4,220,556 ($\$274.74 \times 15,362 = \$4,220,556$).

Under this new program, the intent is for the program to be cost neutral. This would be accomplished by having each provider who participates in the program to either make an intergovernmental transfer of funds to the department, or to have certified public expenditures serve as the match to claim federal financial participation reimbursement. The proposed legislation stipulates that both funding arrangements are allowed.

Assuming that a provider meets the criteria for participating in the program through an intergovernmental transfer or through certified public expenditures, in the scenario above, the department would pay the provider the entire \$768.46. Through federal financial participation, the department would then bill the federal government for \$493.72 (provider match = $\$493.72 \times .5 = \246.86), the difference between what the state normally pays for an average unit of ground emergency medical transportation and what was actually billed by the provider. The department projects that it will expend an average of \$7,584,527 on additional ground emergency medical transportation ($\$493.72 \times 15,362 = \$7,584,527$). One-half of this amount, \$3,792,263 ($\$246.86 \times 15,362 = \$3,792,263$) will be collected from providers who participate in the program. This match will be collected as statutory designated program receipts.