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FISCAL IMPACT REPORT

SPONSOR: Robinson DATE TYPED: 02/13/03 HB _____

SHORT TITLE: Medicaid Reimbursements SB 440

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
		Indeterminate			

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB212

Responses Received From
Human Services Department
SUMMARY

Synopsis of Bill

Senate Bill 440 amends existing law to provide that the Human Services Department (HSD) shall set the reimbursement rates for services rendered by physicians, dentists, optometrists, podiatrists and psychologists to Medicaid patients at not less than 95 percent of the corresponding allowable amount reimbursable under Medicare, as amended. The effective date of this Act is July 1, 2005.

Significant Issues

The Human Services Department reports the Medicaid physician, podiatrist, psychologists, optometrists fee schedule was updated in January of 2000 to reflect 95% of Medicare's fee schedule in effect at that time. Medicaid procedure codes that were priced higher than Medicare's fee schedule were not decreased. The fee increase enacted in 2000 did not have an impact on providers who bill with level II and III (non-Current Procedural Terminology) procedure codes. This includes optometrists and psychologists. Dental providers were given a fee increase in 1999 utilizing 85 percent of the average fees of the American Dental Association fee survey. Currently, the majority of Medicaid services are reimbursed higher than Medicare's 2003 fee schedule.

FISCAL IMPLICATIONS

With recent reductions in Medicare reimbursements, there are more Medicaid codes that exceed 95 percent of Medicare rate.

ADMINISTRATIVE IMPLICATIONS

Additional staff time will be required to update the fee schedule yearly, including writing instructions to Medicaid's fiscal agent to update the Medicaid's Management Information System (MMIS) to reflect the yearly pricing changes.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 440 is similar to SB 212 but does not require extension of the fee schedule to the managed care contracts.

MW/njw:sb