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FISCAL IMPACT REPORT

SPONSOR: Beffort DATE TYPED: 03/06/03 HB _____

SHORT TITLE: Review Medicaid Reimbursement Policies SB SJM 67

ANALYST: Weber

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From

SUMMARY

Synopsis of Bill

Senate Joint Memorial 67 states the following:

1. costs of providing services under the Medicaid program are projected to rise;
2. the Department of Health (DOH) and the Human Services Department (HSD) each administer portions of the Medicaid program;
3. DOH, HSD, and the Medicaid Fraud Control Unit of the Attorney General's Office each participate in Medicaid fraud detection efforts;
4. Medicaid service providers may inadvertently permit billing for services neither necessary nor rendered;
5. software programs edits to claims and reimbursement information systems can reduce or eliminate excessive Medicaid payments;
6. timely information may assist in the detection of detection of Medicaid overpayments; and
7. a review of Medicaid program reimbursement procedures will lead to suggestions for improved delivery services to Medicaid recipients and reducing unnecessary payments.

Therefore, be it resolved by the Legislature that:

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1. DOH and HSD conduct a comprehensive review of rules, policies etc for reimbursement to Medicaid providers for non-emergency transportation services, personal care option program services, developmentally disabled residential facilities and out patient prescription drugs; and
2. the departments give a joint report on their respective reviews and any legislative recommendations to the Legislative Finance Committee.

Significant Issues

HSD does have rules, policies, instructions, reporting requirements and procedures for reimbursement to Medicaid providers for non-emergency transportation services, personal care option program services, developmentally disabled residential facilities and outpatient prescription drugs. DOH does not reimburse Medicaid providers for these services with the exception of developmentally disabled residential services funded through the Medicaid waiver for individuals with developmental disabilities.

The Medicaid program is in the process of reviewing outpatient prescription drug services and personal care option services. Non-emergency transportation services can also be reviewed. HSD and DOH can discuss reviews of Medicaid reimbursement for their respective developmentally disabled residential services.

MW/njw:sb