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FISCAL IMPACT REPORT

SPONSOR Jennings DATE TYPED 02/04/04 HB _____

SHORT TITLE Increase Certain Medicaid Payments SB 463

ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$600.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	\$1743.8		Recurring	Medicaid Federal Funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 463 appropriates \$300 thousand from the general fund to the Human Services Department to increase payments to physicians and nurse midwives for deliveries and caesarean sections under the Medicaid program. An additional \$300 thousand is appropriated from the general fund to the Human Services Department to offset the three and one-half percent decrease in payments to physicians, advance practical nurses, dentists and optometrists under the Medicaid program.

Significant Issues

HSD reports that putting together the cost containment strategies that may need to be implemented to meet budget targets, the Department has recommended any rate decrease be implemented across-the-board to be most equitable to providers. This bill would only increase the rates of certain providers.

FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2005 shall revert to the general fund.

TECHNICAL ISSUES

It is unclear what will happen with the \$300 thousand "to offset the three and one-half percent decrease in payments" in the event the decrease does not occur or would occur at some other rate.

POSSIBLE QUESTIONS

It is unclear why only this particular group of medical professionals is included in a targeted appropriation. The necessity to increase payments for these particular groups should be explained. If it is to address a specific problem, such as retention in the state, then performance measures should be attached to the appropriation to determine if the desired result is achieved.

MW/dm:lg