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FISCAL IMPACT REPORT

SPONSOR:	Knauer	DATE TYPED:	02-04-00	HB	229
SHORT TITLE:	Exclude DD from Medicaid Managed Care			SB	
				ANALYST:	Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	See Narrative				

Relates to HB 291

SOURCES OF INFORMATION

Human Services Department

Health Policy Commission

SUMMARY

Synopsis of Bill

House Bill 229 excludes the following services for the developmentally disabled from the state's medicaid managed care system:

- intermediate care facilities for the mentally retarded;
- developmental disability in-home and community-based medicaid waiver services;
- developmental disability early intervention services;
- developmental disability early intervention case management services;
- and developmental disability for children and adults paid for exclusively from the general fund.

FISCAL IMPLICATIONS

There is no immediate fiscal impact associated with this legislation because the excluded services are currently provided on a fee-for-service basis. The human services department writes that there are potential long-run fiscal implications as the bill would limit future choices that may include "innovative projects or funding schemes for persons with developmental disabilities".

ADMINISTRATIVE IMPLICATIONS

There are no immediate administrative implications for the human services department because these services are already provided outside the managed care system. However, the department requests that it be allowed to retain management and planning flexibility.

SUBSTANTIVE ISSUES

The health policy commission notes that the significant issue raised by this bill is the question of differences in cost and quality of services financed through managed care's capitated payments system versus a fee-for-service system. They suggest that there may be a trade-off between potential costs savings through managed care and higher quality services available on a fee-for service basis to the extent that fee-for-service payments more completely reimburse providers for services rendered. They also note that patients in a fee-for-service system may have greater control over their choice of health provider.

BT/gm