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FISCAL IMPACT REPORT

ORIGINAL DATE 01/24/07

SPONSOR Jennings LAST UPDATED _____ HB _____

SHORT TITLE Increase Certain Health Care Payments SB 101

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$750.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	\$1,859.6	\$1,800.0	Recurring	Federal Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 101 appropriates \$750.0 thousand from the general fund to the Human Services Department to increase Medical Assistance reimbursement for obstetrical services to offset the cost of medical malpractice insurance.

FISCAL IMPLICATIONS

The appropriation of \$750.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

In order to maintain the increased level of payment for future years, the increase would need to be included in the Medicaid base budget request in future years.

The LFC recommendation for the General Appropriations Act includes \$13 million in physician related reimbursement increases.

MW/nt