

**HF380 - 0 - "Rural Special Transport Services Rate"**

Chief Author: **Joe Schomacker**  
 Committee: **Health & Human Services Finance**  
 Date Completed: **02/11/2015**  
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
<b>Local Fiscal Impact</b>		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
<b>General Fund</b>	-	90	112	118	123	
<b>Total</b>	-	90	112	118	123	
<b>Biennial Total</b>			202			241

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Executive Budget Officer's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge      Date: 2/11/2015 11:10:43 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	90	112	118	123
<b>Total</b>	<b>-</b>	<b>90</b>	<b>112</b>	<b>118</b>	<b>123</b>
<b>Biennial Total</b>			<b>202</b>		<b>241</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
General Fund	-	90	112	118	123
<b>Total</b>	<b>-</b>	<b>90</b>	<b>112</b>	<b>118</b>	<b>123</b>
<b>Biennial Total</b>			<b>202</b>		<b>241</b>
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>-</b>		<b>-</b>

**Bill Description**

House File 380 changes Minnesota Statutes, section 256B.0625, subdivision 17 (I), by increasing the various RUCA (Rural Urban Commuting Area) mileage payment rate add-ons for Non-Emergency Medical Transportation (NEMT) Services known as Special Transportation Services (STS) covered under Medical Assistance.

Each zip code in Minnesota has a RUCA designation of urban, rural, or super-rural. Using the zip code of a recipients residence as the trip origin, the RUCA adjustment is applied to the base or trip claim if super-rural and to mileage claims if rural or super-rural. Under this proposal, the current law RUCA adjustments would double. The base/trip add-on would increase from 11.3% to 22.6%. The add-on for mileage claims for trips 17 miles or less would increase from 25% to 50%. The add-on for trips 18 to 50 miles would increase from 12.5% to 25%.

**Assumptions**

Based on department data on actual RUCA base and mileage adjustments in FY2014, doubling these

RUCA adjustments would cost about \$199,500 per year. Adding the proposed RUCA adjustments to the 2014 base data results in an estimated .75% increase in total FY2014 NEMT payments.

A minor programming change to the states payment system is necessary to implement the rate change.

The estimate assumes an effective date of July 1, 2015.

**Expenditure and/or Revenue Formula**

Fiscal Analysis of HF 380-0					
Increase Payment Rates for Special Transportation in Rural Urban Commuting Areas (RUCA)					
	FY 2014	FY 2016	FY 2017	FY 2018	FY 2019
Total NEMT payment base	\$26,435,468				
Est cost of RUCA adjustments	\$199,462				

Fiscal Analysis of HF 380-0						
Increase Payment Rates for Special Transportation in Rural Urban Commuting Areas (RUCA)						
NEMT forecast		\$28,228,012	\$29,744,435	\$31,180,429	\$32,590,780	
Est % change in NEMT pmts	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Projected cost of RUCA adjustments		\$212,988	\$224,429	\$235,264	\$245,906	
Phase-in		83.33%	100.00%	100.00%	100.00%	
Total MA Cost		\$177,490	\$224,429	\$235,264	\$245,906	
Federal share %		50.00%	50.00%	50.00%	50.00%	50.00%
Federal share		\$88,745	\$112,215	\$117,632	\$122,953	
State share		\$88,745	\$112,215	\$117,632	\$122,953	
Fiscal Tracking Summary (\$000s)						
Description	Fund	BACT	FY2016	FY2017	FY2018	FY2019
MA Grants	GF	33	89	112	118	123
Operations: Systems (MMIS)	GF	11	1			
<b>Total Net Fiscal Impact</b>			<b>90</b>	<b>112</b>	<b>118</b>	<b>123</b>
<b>Full Time Equivalents</b>						

**Long-Term Fiscal Considerations**

These costs are ongoing.

**Local Fiscal Impact**

N/A

**References/Sources**

DHS Reports and Forecasts division

DHS November, 2014 Forecast

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**Date:** 2/10/2015 4:00:41 PM

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