

HF102 - 1E - " Intergovt Transfer For Ambulance Service"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **02/26/2017**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		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) Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	44	39	39	39
Total	-	44	39	39	39
Biennial Total			83		78

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	.5	.5	.5	.5
Total	-	.5	.5	.5	.5

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: 2/26/2017 3:33:26 PM
 Phone: 651 259-3690 Email: ahna.minge@state.mn.us

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		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	44	39	39	39	39
Total		-	44	39	39	39
Biennial Total			83			78
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	44	39	39	39	39
Total		-	44	39	39	39
Biennial Total			83			78
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill as amended directs DHS to calculate an upper payment limit for ambulance services affiliated with government entities for the purposes of making supplemental payments for ambulance services provided under the Medical Assistance (MA) program.

Assumptions

Current law directs DHS to make supplemental payments for ambulance services affiliated with the City of Saint Paul and Hennepin County. Under this arrangement, the City of Saint Paul and Hennepin County provide the nonfederal share of a MA payment to DHS through an intergovernmental transfer (IGT) which is matched with federal Medicaid funds for the purposes of making a supplemental payment for ambulance services. Payments through this arrangement are subject to federal limits calculated by DHS staff.

This legislation would permit any ambulance service provider affiliated with a government entity in the state of Minnesota to receive supplemental payments as described above. State licensing records indicate that there are over 120 ambulance companies in Minnesota that are owned or operated by a government entity, and many of these are small providers who will not pursue supplemental payments. It is assumed that new providers will seek supplemental payments as a result of this legislation, and this expansion will require additional staff resources for DHS to calculate additional upper payment limits, account for and process additional provider payments, and complete required federal reporting. The cost of these additional resources (for one half FTE, plus pro-rated overhead costs) is reflected in the fiscal detail.

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	13	HCA Admin	68	58	58	58
GF	REV1	FFP @ 35%	(24)	(19)	(19)	(19)
		Total Net Fiscal Impact	44	39	39	39

		Full Time Equivalents	.5	.5	.5	.5
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Long-Term Fiscal Considerations

Local Fiscal Impact

Local government entities electing to participate in IGTs for ambulance services they own or operate may provide the non-federal share of supplemental MA payments. These funds are returned once the payments are made.

References/Sources

Agency Contact: Patrick Hultman (651) 431-4311

Agency Fiscal Note Coordinator Signature: Don Allen

Phone: 651 431-2932

Date: 2/25/2017 12:51:52 PM

Email: Don.Allen@state.mn.us