

HF1166 - 0 - "Rate-Setting Analysis Report Required"

Chief Author: **Jeff Backer**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/13/2017**
 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)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	227	-	-	-	-
Total	-	227	-	-	-	-
Biennial Total			227			-

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

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: 3/13/2017 11:16:35 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		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	227	-	-	-	-
Total	-	227	-	-	-	-
Biennial Total			227			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	227	-	-	-	-
Total	-	227	-	-	-	-
Biennial Total			227			-
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill requires the Department of Human Services to conduct a comprehensive analysis of the Medical Assistance payment rate methodology for outpatient, professional, and physician services that do not have a cost based rate and provide recommendations to the legislature by November 2019.

Assumptions

A comprehensive analysis of MA provider payment rates will require the services of a health actuary. Based on the scope of work described in this bill, the cost of contracting with an actuary to meet this requirement is estimated at \$350,000.

Expenditure and/or Revenue Formula

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	13	HCA Admin (Contract)	350			
GF	REV1	FFP @ .35%	(123)			
		Total Net Fiscal Impact	227			
		Full Time Equivalents				

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

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Date: 3/13/2017 9:23:26 AM

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