

HF3582 - 1A - "MA for Services Provided by a CEMT"

Chief Author: **Tara Mack**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/12/2016**
 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	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	1	4	4	4
Total	-	-	1	4	4	4
Biennial Total			1			8

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
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.

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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		FY2015	FY2016	FY2017	FY2018	FY2019
General Fund		-	-	1	4	4
Total		-	-	1	4	4
Biennial Total				1		8
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	1	4	4
Total		-	-	1	4	4
Biennial Total				1		8
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill as amended adds coverage for certain services performed by Community Emergency Medical Technicians (CEMT) in the Medical Assistance (MA) program. Covered services include post discharge hospital visits when ordered by a treating provider and home safety evaluations for people discharged from a nursing home or who are at an increased risk for falls. The bill also specifies that CEMT services shall be reimbursed at a rate of \$9.75 per 15 minute increment.

Assumptions

This fiscal note assumes that, in the short term, post discharge visits will be limited to those from Methodist and North Memorial hospitals where there is an existing relationship between those hospitals and CEMT providers. Though future expansion of this service to other areas of the state is possible, this analysis assumes that the services would only occur in Hennepin County.

According to data from the pilot study, 448 individuals discharged from Methodist hospital received visits May of 2014 and July 2015. Given that roughly 13 percent of patients at this hospital are enrolled in Medical Assistance, this estimate assumes that 58 of the 448 post discharge visits were provided to MA enrollees. Based on department data, there were about 5,900 MA enrollees discharged from Methodist during the 14 months of the pilot project. This data suggests that roughly 1 percent of MA enrollees discharged from Methodist received a post discharge visit from a CEMT.

There were about 10,500 MA discharges from Methodist and North Memorial in FY2015. It is assumed that about 10 percent of hospital discharges would receive a visit from a CEMT as the services are reimbursed by MA and the current program expands.

Based on department data, there were about 2,700 MA readmissions to Methodist and North Memorial hospitals in FY2015 at an average cost of about \$5,000 per readmission. Given that CEMT visits are provided only when ordered by a treating physician who is better able to identify potential readmissions, it is assumed that a higher proportion of recipients at risk of readmission would receive CEMT services. Specifically, while 10% of overall hospital discharges are projected to receive a CEMT visit, it is assumed that 20% of recipients at risk of a fall would receive a CEMT post hospital discharge visit. Based on a firefighter/EMT pilot project in the metro area, it is assumed that 0.6% of hospital readmissions are averted due to a CEMT post hospital discharge visit.

Based on department data, there were about 6,100 nursing facility discharges to the community in FY2015 that would

have been eligible for a CEMT home safety visit. About 1,900 of these occurred in Hennepin County which is assumed to be the area in which the CEMT services would initially be provided. Assuming a home safety visit would have been provided to 10% of these discharges implies a base number of 190 home safety visits by a CEMT in FY2015.

Adding the post hospital discharge and home safety visits implies 1,240 total CEMT visits in the base year of FY2015. This base number of CEMT visits is trended forward by projected overall MA enrollment growth. Based on the pilot project, it is assumed that an average CEMT visit would take 30 minutes, or two 15-minute price increments. This estimate assumes an effective date of January 1, 2017 with an assumed two month phase-in period for billing lag.

Expenditure and/or Revenue Formula

Minnesota					
Medical Assistance					
Fiscal Analysis of HF3582-DE1					
Provide Community Emergency Medical Technician (CEMT) Services					
Post Hospital Discharge Visits					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Elderly & Disabled					
Average monthly enrollment	181,757	178,893	182,217	187,446	192,435
Projected post discharge visits	400	394	401	413	424
Cost per increment		\$9.75	\$9.75	\$9.75	\$9.75
Average increments per visit		2	2	2	2
MA cost of post discharge visits		\$7,681	\$7,824	\$8,048	\$8,262
Projected averted readmissions		(2)	(2)	(2)	(2)
Avg inpatient hospital cost		\$4,137	\$4,219	\$4,304	\$4,390
MA cost of averted readmissions		(\$8,419)	(\$8,747)	(\$9,178)	(\$9,611)
Phase-in		0.00%	33.33%	100.00%	100.00%
Total MA Cost (elderly & disabled)		\$0	(\$308)	(\$1,130)	(\$1,348)
Federal share %		50.00%	50.00%	50.00%	50.00%
Federal share		\$0	(\$154)	(\$565)	(\$674)
State share		\$0	(\$154)	(\$565)	(\$674)
Adults without Children					

Minnesota					
Average monthly enrollment	199,310	218,698	224,942	217,635	220,865
Projected post discharge visits	210	231	237	230	233
Cost per increment		\$9.75	\$9.75	\$9.75	\$9.75
Average increments per visit		2	2	2	2
MA cost of post discharge visits		\$4,498	\$4,626	\$4,476	\$4,542
Projected averted readmissions		(1)	(1)	(1)	(1)
Avg inpatient hospital cost		\$7,566	\$7,717	\$7,871	\$8,029
MA cost of averted readmissions		(\$5,420)	(\$5,686)	(\$5,612)	(\$5,809)
Phase-in		0.00%	33.33%	100.00%	100.00%
Total MA Cost (adults no kids)		\$0	(\$353)	(\$1,136)	(\$1,267)
Federal share %		100.00%	97.50%	94.50%	93.50%
Federal share		\$0	(\$345)	(\$1,073)	(\$1,184)
State share		\$0	(\$9)	(\$62)	(\$82)
Families with Children					
Average monthly enrollment	668,752	701,431	724,799	726,093	733,401
Projected post discharge visits	444	465	481	482	487
Cost per increment		\$9.75	\$9.75	\$9.75	\$9.75
Average increments per visit		2	2	2	2
MA cost of post discharge visits		\$9,075	\$9,377	\$9,394	\$9,489
Projected averted readmissions		(0)	(1)	(1)	(1)
Avg inpatient hospital cost		\$7,946	\$8,104	\$8,267	\$8,432
MA cost of averted readmissions		(\$3,881)	(\$4,090)	(\$4,179)	(\$4,306)
Phase-in		0.00%	33.33%	100.00%	100.00%
Total MA Cost (families with kids)		\$0	\$1,762	\$5,215	\$5,183
Federal share %		50.00%	50.00%	50.00%	50.00%
Federal share		\$0	\$881	\$2,607	\$2,591

Minnesota						
State share		\$0	\$881	\$2,607	\$2,591	
Home Safety Visits						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	
Elderly & Disabled						
Average monthly enrollment	181,757	178,893	182,217	187,446	192,435	
Projected post discharge visits	186	183	186	192	197	
Cost per increment		\$9.75	\$9.75	\$9.75	\$9.75	
Average increments per visit		2	2	2	2	
Phase-in		0.00%	33.33%	100.00%	100.00%	
Total MA Cost (elderly & disabled)		\$0	\$1,212	\$3,741	\$3,840	
Federal share %		50.00%	50.00%	50.00%	50.00%	
Federal share		\$0	\$606	\$1,870	\$1,920	
State share		\$0	\$606	\$1,870	\$1,920	
Fiscal Summary		FY 2016	FY 2017	FY 2018	FY 2019	
State Share General Fund Cost		\$0	\$1,325	\$3,850	\$3,755	
Fiscal Tracking Summary (\$000s)						
Fund	BACT	Description	FY2016	FY2017	FY2018	FY2019
GF	33	MA Grants		1	4	4
		Total Net Fiscal Impact		1	4	4
		Full Time Equivalents				

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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