

HF103 - 1E - "Med Asst Rate Increase for Ambul Srvc Exp"

Chief Author: **Nick Zerwas**
 Committee: **Health and Human Services Finance**
 Date Completed: **02/28/2017**
 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
Health Care Access	-	3	8	9	9
General Fund	-	436	1,059	1,128	1,191
Total	-	439	1,067	1,137	1,200
Biennial Total			1,506		2,337

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Health Care Access	-	-	-	-	-
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: 2/28/2017 1:37:39 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
Health Care Access	-	3	8	9	9	9
General Fund	-	436	1,059	1,128	1,191	1,191
Total	-	439	1,067	1,137	1,200	1,200
Biennial Total			1,506		2,337	2,337
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Care Access	-	3	8	9	9	9
General Fund	-	436	1,059	1,128	1,191	1,191
Total	-	439	1,067	1,137	1,200	1,200
Biennial Total			1,506		2,337	2,337
2 - Revenues, Transfers In*						
Health Care Access	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-		-	-

Bill Description

This bill as amended increases Medical Assistance (MA) payment rates for ambulance services.

Assumptions

State law currently provides a 5 percent rate increase for ambulance services with a base of operations outside of the seven county metro area and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester. The increase also applies to services rendered by an ambulance provider inside the seven county metro in a municipality with a population of less than 1,000 which includes the city of Marine on Saint Croix. MA fee for service payments for ambulance services receiving this increase account for about 29 percent of total payments for ambulance services.

This bill sunsets this rate increase for providers primarily outside the metro area as of December 31, 2017 and applies a new 5 percent rate increase to MA payment rates for all ambulance services starting on January 1, 2018. This fiscal note recognizes the cost of applying the higher rate to those providers who under current law do not receive the increase.

This fiscal note assumes an effective date of January 1, 2018.

Expenditure and/or Revenue Formula

Medical Assistance					
A Fiscal Analysis of HF103 1E					
Provide a Rate Increase for Metro Ambulance Services					
Ambulance Services Rate Increase					
Percent change:	5.00%				

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Months of fiscal effects:					
(Assumes a 2 month lag for FFS)					
Fee for service	0	4	12	12	12
Managed care	0	5	12	12	12
February 2017 Forecast	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Medical Assistance					
FFS selected services					
MA Elderly and Disabled	\$5,936,395	\$5,804,644	\$6,140,415	\$6,510,779	\$6,850,286
MA Adults without Kids	\$4,656,616	\$4,991,579	\$5,287,809	\$5,329,173	\$5,542,375
MA Families with Children	\$3,954,966	\$4,048,366	\$4,226,529	\$4,373,804	\$4,550,676
February 2017 Forecast	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Medical Assistance					
Managed care: proportion for selected services					
MA Elderly and Disabled	\$9,068,622	\$12,511,095	\$12,051,627	\$10,935,109	\$11,543,117
MA Adults without Kids	\$19,090,887	\$20,762,610	\$23,234,500	\$21,912,474	\$22,969,670
MA Families with Children	\$14,594,082	\$17,056,023	\$16,195,829	\$15,833,421	\$16,236,667
February 2017 Forecast	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
MinnesotaCare					
Managed care: proportion for selected services					
	\$4,795,005	\$5,168,479	\$5,565,687	\$5,399,189	\$5,562,487
Impact of Rate Increase					
Medical Assistance	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
MA Elderly and Disabled FFS	\$0	\$96,744	\$307,021	\$325,539	\$342,514
MA Elderly and Disabled HMO	\$0	\$260,648	\$602,581	\$546,755	\$577,156
MA Elderly and Disabled HMO perf. pmt.				\$53,231	\$49,567

Total	\$0	\$357,392	\$909,602	\$925,525	\$969,237
Federal share %	50.00%	50.00%	50.00%	50.00%	50.00%
Federal share	\$0	\$178,696	\$454,801	\$462,763	\$484,618
State Share	\$0	\$178,696	\$454,801	\$462,763	\$484,618
MA Adults w. no Children FFS	\$0	\$83,193	\$264,390	\$266,459	\$277,119
MA Adults w. no Children HMO	\$0	\$432,554	\$1,161,725	\$1,095,624	\$1,148,483
MA Adults w. no Children HMO perf. pmt				\$96,542	\$97,667
Total	\$0	\$515,747	\$1,426,115	\$1,458,624	\$1,523,269
Federal share %	97.50%	94.50%	93.50%	91.50%	90.00%
Federal share	\$0	\$487,381	\$1,333,418	\$1,334,641	\$1,370,942
State Share	\$0	\$28,366	\$92,698	\$123,983	\$152,327
MA Families with Children FFS	\$0	\$67,473	\$211,326	\$218,690	\$227,534
MA Families with Children HMO	\$0	\$355,334	\$809,791	\$791,671	\$811,833
MA Families with Children HMO perf. pmt				\$71,975	\$69,497
Total	\$0	\$422,807	\$1,021,118	\$1,082,336	\$1,108,865
Federal share %	50.00%	50.00%	50.00%	50.00%	50.00%
Federal share	\$0	\$211,403	\$510,559	\$541,168	\$554,432
State Share	\$0	\$211,403	\$510,559	\$541,168	\$554,432
Total MA State Share	\$0	\$418,465	\$1,058,057	\$1,127,914	\$1,191,378
MinnesotaCare	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Impact of rate increase					
Mncare HMO	\$0	\$107,677	\$278,284	\$269,959	\$278,124
Mncare HMO Perf. Pmt.				\$23,479	\$23,776
Total	\$0	\$107,677	\$278,284	\$293,439	\$301,901
Percent federal BHP funding	0.00%	97.03%	96.95%	96.89%	96.86%
Federal BHP funding	\$0	\$104,477	\$269,808	\$284,309	\$292,432
Total HCAF	\$0	\$3,200	\$8,476	\$9,130	\$9,468

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	33 ED	MA Grants	197	455	463	485

GF	33 AX	MA Grants	28	93	124	152
GF	33 FC	MA Grants	211	511	541	554
HCAF	31	MinnesotaCare Grants	3	8	9	9
		Total Net Fiscal Impact				
		Full Time Equivalents				

Long-Term Fiscal Considerations

Costs for this rate increase are ongoing.

Local Fiscal Impact

None

References/Sources

February 2017 Medical Assistance and MinnesotaCare program forecast.

Agency Contact: Patrick Hultman (651) 431-4311

Agency Fiscal Note Coordinator Signature: Don Allen

Phone: 651 431-2932

Date: 2/27/2017 10:17:21 AM

Email: Don.Allen@state.mn.us