

**HF3533 - 0 - County-Administered Rural Medical Assistance Model**

Chief Author: **Peter Fischer**  
 Committee: **Health Finance And Policy**  
 Date Completed: **2/28/2024 8:55:19 AM**  
 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	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	272	-	-	-
<b>Total</b>	-	-	<b>272</b>	-	-	-
<b>Biennial Total</b>			<b>272</b>			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Kate Schiller      **Date:** 2/28/2024 8:55:19 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.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	-	272	-	-
<b>Total</b>		-	-	272	-	-
<b>Biennial Total</b>				272		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund		-	-	272	-	-
<b>Total</b>		-	-	272	-	-
<b>Biennial Total</b>				272		-
<b>2 - Revenues, Transfers In*</b>						
General Fund		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

**Bill Description**

Section 1 Subdivision 1 requires the commissioner of human services to develop a model and implementation plan for county-administered rural medical assistance (CARMA) as an alternative to the prepaid medical assistance program. It also specifies that the model must be designed to account for the smaller number of enrollees and health care providers in rural counties, promote accountability, and address the specific health and social needs of each participating county.

Section 1 Subdivision 2 states that the model must allow all rural counties to apply to participate in the CARMA model, and requires a process for determining if a county can participate.

Section 1 Subdivision 3 requires the commissioner of human services to report the recommendations and implementation plan for the CARMA model to the legislature by January 15, 2025.

Section 2 appropriates funds from the general fund for fiscal year 2025 for the model development and implementation plan, as well as the report to the legislature.

**Assumptions**

Bill is assumed to be effective July 1, 2024.

To develop the model listed in Section 1, DHS assumes it would require a vendor contract of \$400,000 in FY25 to facilitate the work. These contract costs would support collaboration with county-based purchasing plans and community partners to analyze service delivery strategies, as well as fund the development of the CARMA model, its implementation plan, and the report of findings to the legislature.

DHS assumes 32% Federal Financial Participation (FFP) for these administrative costs.

**Expenditure and/or Revenue Formula**

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2024	FY2025	FY2026	FY2027
GF	13	HCA Admin Contract	0	400	0	0
GF	REV1	Admin FFP@32%	0	(128)	0	0

		<b>Total Net Fiscal Impact</b>	0	272	0	0
		<b>Full Time Equivalents</b>	0	0	0	0

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

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**Agency Fiscal Note Coordinator Signature:** Chris Zempel

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**Date:** 2/27/2024 3:15:00 PM

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