BDR S-646
SB 255

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 14, 2023

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Medical Services (Expense)		$767,976	$1,366,066	$2,732,132
System Costs (MMIS) (Expense)		$64,960		
Total	0	$832,936	$1,366,066	$2,732,132

Explanation (Use Additional Sheets of Attachments, if required)

The Division has reviewed this BDR and determined it will have a fiscal impact on the Division. This bill requires DHCFP establish a new provider specialty for clinics that provide services to children with cancer or other rare diseases. Additionally, reimbursement rates for providers of such services are to be increased by 10%. To determine the fiscal impact, the DIvision identified one known provider who treats children with cancer and rare diseases. An adjustment of 10% was made to total expenditures issued to this provider to estimate the costs of this BDR for both Fee-for-Service (FFS) and Managed Care recipients. Although the BDR notes that Fee-for-Service rates would be increased by 10%, Managed Care Organizations must at least pay the same rates as FFS, but the state cannot direct payments without federal approval. The total computable impact for medical services in the FY24-25 biennium is $2,134,042 ($768,686 in State General Funds).
Additional costs are anticipated to establish a new provider specialty in the Medicaid Management Information System (MMIS). The total expected cost of system changes is $64,960 ($16,240 in State General Funds).

Name Stacie Weeks

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, March 14, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

FN 6432

Fiscal Impact Analysis

Division of Health Care Financing and Policy
BDR S-646 Children with Rare Diseases - New Specialty
Analysis Summary

Percentage Increase

10%

Estimated Fiscal Impact FY22-FY23 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY22	$0	$0	$0	$0
FY23	$0	$0	$0	$0
Total	$0	$0	$0	$0

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$767,976	$497,306	$270,520	$150
FY25	$1,366,066	$867,419	$498,166	$481
Total	$2,134,042	$1,364,725	$768,686	$631

Description of Budget Concept

Create a new sub-specialty under Provider Type (PT) 17 - Special Clinics for clinics that provide services primarily to children with cancer and rare diseases and increase rate methodology for services perfumed under this new specialty by 10%.

Methodology

1) Fee-For-Service (FFS) utilization and managed care encounter were captured by running a report out of the MMIS using the following parameters for this provider type/service: *SFY22 (07/01/2021 - 06/30/2022) Incurred with Runoff, Net Allowed Amount.*

2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

3) Data was pulled for a provider who currently performs services for children with cancer and other rare diseases. A 10% increase was applied to current expenditures to anticipate how costs may shift under this BDR.

4) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections.

5) FMAP rates were applied to determine the federal share of estimated costs. Note that the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to align with the 2023 Federal FY Omnibus Appropriations Bill, which allows the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3); 1.5% (CY23 Q4).