

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4548/1	Introduction Number AB-0899	
Description Payments to hospitals for HIV-related services provided to Medical Assistance recipients		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local:		
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (4) (o)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DHS/ Michael Pancook (608) 266-9364	Andy Forsaith (608) 266-7684	3/29/2010

Fiscal Estimate Narratives

DHS 3/29/2010

LRB Number	09-4548/1	Introduction Number	AB-0899	Estimate Type	Original
Description Payments to hospitals for HIV-related services provided to Medical Assistance recipients					

Assumptions Used in Arriving at Fiscal Estimate

Under this bill, if a nonprofit association or public agency that receives Mike Johnson Life Care Services and Early Intervention grant enters into an agreement with a hospital to coordinate HIV-related specialty care and hospital services, then the Department of Health Services (DHS) would be required to pay the grant or a portion of the grant to the hospital as the non-federal share of the services provided to Medicaid (MA) beneficiaries. These grant funds are GPR-funded. In addition, the bill directs DHS to make a supplemental federal Medicaid payment to the hospital using the GPR grant funds as the non-federal match. This change would take effect in July 1, 2010.

Under the federal American Recovery and Reinvestment Act (ARRA), until December 31, 2010, each dollar of the GPR grant allocated as the non-federal share of the hospital Medicaid payment would generate approximately \$2.33 of federal matching funds. After December 31, 2010, the amount would be approximately \$1.50 of federal funding for each dollar of GPR grant funding provided to the hospital. The amount of the grant that could be shifted to fund a hospital Medicaid payment would be limited since federal Medicaid regulations limits the amount of Medicaid payments that can be paid to hospitals. The bill directs that the supplemental Medicaid hospital payment would not exceed this federal upper limit. The Department estimates that the supplement payment could not exceed \$1 million in GPR and federal funds annually because of the upper limit requirement.

In summary, since the total grant appropriation is not changed, there would be no impact on state GPR costs. However, the bill would increase federal Medicaid funding to the state, which would be provided to the hospital.

Long-Range Fiscal Implications