

### Fiscal Estimate - 2011 Session

Original       Updated       Corrected       Supplemental

LRB Number **11-3348/1**      Introduction Number **AB-0408**

**Description**  
Eliminating ambulatory surgical center assessment

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
  - Increase Existing Revenues
  - Decrease Existing Revenues
  - Increase Costs - May be possible to absorb within agency's budget
    - Yes
    - No
  - Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue
  - Permissive    Mandatory    Permissive    Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue
  - Permissive    Mandatory    Permissive    Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties     Others      0
  - School Districts     WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR    FED    PRO    PRS    SEG    SEGS

Agency/Prepared By	Authorized Signature	Date
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## Fiscal Estimate Narratives

DHS 12/14/2011

LRB Number	11-3348/1	Introduction Number	AB-0408	Estimate Type	Original
<b>Description</b> Eliminating ambulatory surgical center assessment					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) assesses ambulatory surgery centers (ASC) \$16,700,000 annually. Each ASC is assessed based on its gross revenues relative to total revenues for all ASCs. DOR transfers 99.5% of the ASC assessment to the Medicaid Trust Fund. In turn, the Department of Health Services (DHS) provides \$20,080,000 annually in Medicaid access payments to ASCs. Annual Medicaid access payments to the ASC industry exceed total ASC assessments collected by DOR by \$3,380,000.

Since Medicaid access payments to ASCs are supported by federal matching dollars, only \$7,925,600 (\$20,080,000 times 39.47%) of the \$16,616,500 of annual assessment transferred to the Medicaid Trust Fund is used for the payments to the ASCs. The remainder (\$8,690,900) is available to reduce the GPR cost of Medicaid payments and is used to fund the state match for approximately \$22,019,000 of other Medicaid benefit payments. In total, the ASC assessment is used as match for \$25,482,500 of federal Medicaid funding.

This bill would repeal the ASC provider assessment. Under this bill, assessment costs for ASCs would decrease by \$16,700,000 annually. Also under this bill, revenue to the Medicaid Trust Fund would decrease by \$16,616,500 annually.

In addition to the elimination of the ASC provider assessment, this estimate assumes that DHS would eliminate ASC access payments. Under this bill, annual payments to ASCs would decrease by \$20,080,000, which will result in a net loss of \$3,380,000 to the ASC industry annually.

Under this bill, costs to the state will increase by \$8,690,900 GPR annually as additional state funds will be needed to fund other Medicaid benefits currently matched with ASC assessment revenue in the Medicaid Trust Fund.

The effective date of this bill is July 1, 2013. As a result, the \$8,690,900 increase to annual GPR costs would not occur until SFY 14 and future years.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 11-3348/1		<b>Introduction Number</b> AB-0408	
<b>Description</b> Eliminating ambulatory surgical center assessment			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	8,690,900	-28,770,900	
<b>TOTAL State Costs by Category</b>	<b>\$8,690,900</b>	<b>\$-28,770,900</b>	
<b>B. State Costs by Source of Funds</b>			
GPR	8,690,900		
FED		-12,154,400	
PRO/PRS			
SEG/SEG-S		-16,616,500	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED		-12,154,400	
PRO/PRS			
SEG/SEG-S		-16,616,500	
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-28,770,900</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$-20,080,000	\$	
NET CHANGE IN REVENUE	\$-28,770,900	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHS/ William Emslie (608) 266-5380		Andy Forsaith (608) 266-7684	12/14/2011