

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-2911/1	Introduction Number SB-297	
Description Eliminating ambulatory surgical center assessment		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input 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 Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DHS/ William Emslie (608) 266-5380	Authorized Signature Andy Forsaith (608) 266-7684	Date 12/14/2011

Fiscal Estimate Narratives

DHS 12/14/2011

LRB Number	11-2911/1	Introduction Number	SB-297	Estimate Type	Original
Description 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

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LRB Number 11-2911/1		Introduction Number SB-297	
Description Eliminating ambulatory surgical center assessment			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
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	
TOTAL State Costs by Category	\$8,690,900	-\$28,770,900	
B. State Costs by Source of Funds			
GPR	8,690,900		
FED		-12,154,400	
PRO/PRS			
SEG/SEG-S (Medicaid Trust Fund)		-16,616,500	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED		-12,154,400	
PRO/PRS			
SEG/SEG-S (Medicaid)		-16,616,500	
TOTAL State Revenues	\$	-\$28,770,900	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$-20,080,000	\$	
NET CHANGE IN REVENUE	\$-28,770,900	\$	
Agency/Prepared By			
DHS/ William Emslie (608) 266-5380		Authorized Signature	
		Andy Forsaith (608) 266-7684	
			Date
			12/14/2011