

Fiscal Estimate Narratives

DHS 6/7/2017

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|--|-----------|---------------------|--------|---------------|----------|
| LRB Number | 17-3018/1 | Introduction Number | SB-243 | Estimate Type | Original |
| Description grants for language interpretation in health care settings | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill directs the Department to create a grant program for language interpretation services to rural medical clinics and hospitals or medical clinics and hospitals that serve medically underserved populations. This bill defines "medically underserved population" as one that has received the same designation from the federal Department of Health and Human Services and defines "rural" as a place not designated as an urbanized area by the Census Bureau or, as a city, town, or village in Wisconsin that has a population of less than 20,000 and is at least 15 miles away from a city, town, or village that has a population greater than 20,000.

This bill indicates that providers have discretion as to the manner in which language provision services are provided, including services provided in-person or over an Internet connection and by a clinic or hospital employee or by a contractor.

The bill directs the Department to use \$100,000 from the appropriation for Medical Assistance Program Benefits to fund language interpretation services to eligible providers. The bill does not require this money to be spent exclusively on language interpretation services to members enrolled in medical assistance programs.

The fiscal effect of this provision would be to reduce funding available for other medical assistance program benefits funded under this appropriation by \$100,000 GPR, which has the effect of increasing net costs by that amount.

This bill also directs the Department to seek federal matching funds on these language interpretation grants, if available.

Currently, the Department does not reimbursement distinct episodes of language interpretation services for members enrolled in fee-for-service medical assistance programs. For members enrolled through managed care organizations, the Department requires provision of language interpretation services and considers the costs to be factored into the administrative component of the capitated payment. CMS considers these capitated payments to be program benefits, for which the Department covers approximately 42 percent of total costs and federal matching funds cover the remaining 58 percent.

CMS policy would permit the Department to "carve out" reimbursement for language interpretation, allowing providers to bill for rendered language interpretation services separately. However, such a change would apply to all providers, regardless if they operate in rural areas or serve medically underserved populations. For this reason, the Department would not likely be eligible to receive federal matching funds on the \$100,000 amount for language interpretation services grants absent pursuing a full carve out for all rural and non-rural providers including managed care organizations.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | |
|--|--|---------------|
| LRB Number 17-3018/1 | Introduction Number SB-243 | |
| Description grants for language interpretation in health care settings | | |
| 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 | 100,000 | |
| TOTAL State Costs by Category | \$100,000 | \$ |
| B. State Costs by Source of Funds | | |
| GPR | 100,000 | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.) | | |
| | Increased Rev | Decreased Rev |
| GPR Taxes | \$ | \$ |
| GPR Earned | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| TOTAL State Revenues | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | |
| | <u>State</u> | <u>Local</u> |
| NET CHANGE IN COSTS | \$100,000 | \$ |
| NET CHANGE IN REVENUE | \$ | \$ |
| | | |
| Agency/Prepared By | Authorized Signature | Date |
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