

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1483-02
Bill No.: Perfected HCS for HB 672
Subject: Medicaid; Medical Procedures and Personnel; Health Care; Social Services
Department
Type: Original
Date: April 14, 2015

Bill Summary: This proposal requires MO HealthNet reimbursement for certain services based on the new behavior assessment and intervention codes under the Current Procedural Terminology (CPT) coding system.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0 to (\$50,753)	\$0 to (\$62,061)	\$0 to (\$63,240)
Total Estimated Net Effect on General Revenue	\$0 to (\$50,753)	\$0 to (\$62,061)	\$0 to (\$63,240)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Federal *	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses greater than \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state if the proposed legislation is enacted MHD would reimburse for behavior assessment and intervention codes 96150 to 96154 for all psychologists regardless of any accreditation or specific training. MHD does not currently reimburse for these codes for psychologists without specific training in this intervention, therefore, a cost would be incurred. MHD anticipates the reimbursement for these codes would be \$20.00 per unit. Medicare does reimburse for codes 96150 to 96154 and MHD pays for the Medicare deductible and coinsurance related to these codes for dual (Medicare and Medicaid) enrolled individuals. In FY 2014, MHD paid the coinsurance and deductibles on 1,635 units of service. The number of dual enrolled participants in December 2014 was 144,926. The number of claims billed per dual enrolled is 0.011 (1,635 / 144,926). The number of MHD participants who are eligible for these services covered by codes 96150 to 96154 was 726,940 in December 2014. The estimated number of units which would be billed to MHD is 7,996 (726,940 X 0.011 claims/dual enrolled) annually. The estimated FY 2014 cost would be \$159,920 (7,996 x \$20.00). The FY 2014 cost was inflated by 1.9% annually to arrive at the FY 2016 through FY 2018 cost.

Since this legislation is subject to appropriation, the cost is stated as a range.

FY 2016 (10 months): Total \$0 to \$138,378 (GR \$0 to \$50,753; Federal \$0 to \$87,625);
FY 2017: Total \$0 to \$169,209 (GR \$0 to \$62,061; Federal \$0 to \$107,148); and,
FY 2018: Total \$0 to \$172,424 (GR \$0 to \$63,240; Federal \$0 to \$109,184).

Officials from the **Department of Health and Senior Services** and the **Department of Mental Health** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND (§208.152)			
<u>Costs - DSS-MHD</u>	\$0 to...	\$0 to...	\$0 to...
Increased program payments	<u>(\$50,753)</u>	<u>(\$62,061)</u>	<u>(\$63,240)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to (\$50,753)</u>	<u>\$0 to (\$62,061)</u>	<u>\$0 to (\$63,240)</u>
FEDERAL FUNDS (§208.152)			
<u>Income - DSS-MHD</u>	\$0 to...	\$0 to...	\$0 to...
Increase in program reimbursements	\$87,625	\$107,148	\$109,184
<u>Costs - DSS-MHD</u>	\$0 to...	\$0 to...	\$0 to...
Increase in program costs	<u>(\$87,625)</u>	<u>(\$147,148)</u>	<u>(\$109,184)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business mental health provider may experience an increase in revenues for services provided for CPT Codes 96150 through 96154 if they participate in the MO HealthNet program.

FISCAL DESCRIPTION

Beginning July 1, 2015, and subject to appropriations, this proposal requires the MO HealthNet Division within the Department of Social Services to reimburse eligible providers of behavioral, social, and psychophysiological services, including psychologists, for the prevention, treatment, or management of physical health problems.

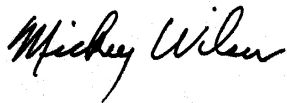
FISCAL DESCRIPTION (continued)

A provider must be reimbursed utilizing the specified behavior assessment and intervention reimbursement codes or their successor codes under the Current Procedural Terminology coding system maintained by the American Medical Association.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Mental Health
Department of Social Services -
MO HealthNet Division



Mickey Wilson, CPA
Director
April 14, 2015

Ross Strobe
Assistant Director
April 14, 2015