

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5012H.011
Bill No.: HB 2347
Subject: Medicaid/MO HealthNet; Hospitals; Insurance - Health
Type: Original
Date: January 23, 2024

Bill Summary: This proposal creates provisions relating to prior authorization for ambulance service transportation from one hospital to another hospital for MO HealthNet participants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General	Up to (\$12,500)	\$0	\$0
Total Estimated Net Effect on General Revenue	Up to (\$12,500)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses are estimated to be Up to \$12,500 in FY 2025 and net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.1035 - Prior authorization for ambulance service for MO HealthNet participants

Officials from the **Department of Social Services (DSS)** state this legislation amends Chapter 208 and adds one new section. It states that a Medicaid managed care organization shall not require prior authorization for hospital-to-hospital transportation services for the MO HealthNet participants served by the Medicaid managed care organization.

This legislation addresses Chapter 208 which applies to Managed Care. This legislation would not have a rate impact in managed care as hospital-to-hospital transportation is more limited in Medicaid. In addition, most of the current ambulance service authorization requests are being approved.

While a rate impact is not expected, the actuarial costs to evaluate this program change to the managed care capitation rates would be no more than \$25,000.

FY25 Total: \$25,000 (GR: \$12,500; Federal: \$12,500)

FY26 Total: \$0

FY27 Total: \$0

Oversight does not have information to the contrary. Oversight notes that DSS states actuarial costs would be no more than \$25,000. Therefore, Oversight will reflect the estimates as provided by DSS as “Up to \$12,500” GR and “Up to \$12,500” Federal, for fiscal note purposes.

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other hospitals and ambulance districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs</u> – DSS (§208.1035) Actuarial costs p. 3	Up to (\$12,500)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Up to (\$12,500)</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Income</u> – DSS (§208.1035) Actuarial costs p. 3	Up to \$12,500	\$0	\$0
<u>Costs</u> – DSS (§208.1035) Actuarial costs p. 3	Up to (\$12,500)	\$0	\$0
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill establishes that a Medicaid managed care organization shall not require prior authorization for hospital-to-hospital transportation services for the MO HealthNet participants served by the Medicaid managed care organization. (§208.1035)

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

L.R. No. 5012H.011

Bill No. HB 2347

Page 5 of 5

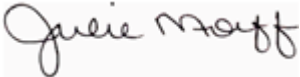
January 23, 2024

SOURCES OF INFORMATION

Department of Health and Senior Services

Department of Mental Health


Department of Social Services



Julie Morff

Director

January 23, 2024



Ross Strobe

Assistant Director

January 23, 2024