

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 88** SLS 17RS 361
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 26, 2017 6:41 AM	Author: LONG
Dept./Agy.: DHH/Medicaid	Analyst: Shawn Hotstream
Subject: Rural Health Care	

HEALTH CARE OR INCREASE GF EX See Note Page 1 of 1
 Provides for a rural health clinic look-alike. (8/1/17)

Proposed law provides for a rural health clinic look-alike. A look-alike is a health care provider which the LDH finds to meet all material requirements for licensure as a rural health clinic except those based on location, and its physical location is less than three miles from a location where the health care provider would be eligible for certification as a rural health clinic.

Proposed law provides that each Managed Care Organization shall pay a rural health clinic look-alike the same amount and according to the same terms as rural health clinics.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This measure creates a new provider type, and requires Medicaid reimbursement to these providers at a minimum rate. The bill requires Medicaid managed care organizations to reimburse these providers at a minimum level for certain visits, or at least the same amount that managed care plans reimburse existing licensed rural health clinics. This measure is anticipated to result in an increase in capitated payments from Medicaid to the MCO's by an indeterminable amount. Total payments from Medicaid in any given year will depend on the number of new provider types (look-alike facilities) that will be paid at the rate established in this bill, and patient load in each new facility. However, it is assumed any additional Medicaid payments to these new provider type will require CMS approval.

Based on reimbursement data provided by LDH, reimbursement to any new Rural Health look-alike would be an average per diem of approximately \$86.33 for an all inclusive clinic visit and for dental services each.

Additionally, any new staffing workload in the Health Standards Section to process applications and provider reviews depends on the number of look-alike applications.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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