

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$22,266,007		\$41,832,955	
CASH FUNDS				
FEDERAL FUNDS	\$51,468,694		\$96,713,965	
OTHER FUNDS				
TOTAL FUNDS	\$73,734,701		\$138,546,920	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill states legislative intent to appropriate an unidentified amount to implement a 9.6% increase for FY24 and 7.7% increase for FY25 to reimbursement rates for inpatient and outpatient hospital services provided under a Medicaid prospective payment system.

The Department of Health and Human Services (DHHS) based their fiscal note on all hospital services (inpatient, outpatient, dialysis, and emergency room). However, this fiscal note shows both all hospital services and inpatient and outpatient as demarcated by the bill.

Children and Family Services (CFS) division identified \$70,000 in claims that would be affected by the increase therefore the impact to Program 354 Child Welfare would be \$6,720 in General Funds in FY24 and \$5,900 in General Funds in FY25.

Inpatient and Outpatient					
FY23	Base	\$ 767,999,801			
	Regular	\$ 491,031,013			
	Expansion	\$ 276,968,788			
			Gen Funds	Fed Fund	Total Funds
FY24 Incr.	Increase	\$ 73,727,981			
	Regular	\$ 47,138,977	\$ 19,600,387	\$ 27,538,591	\$ 47,138,977
	Expansion	\$ 26,589,004	\$ 2,658,900	\$ 23,930,103	\$ 26,589,004
			\$ 22,259,287	\$ 51,468,694	\$ 73,727,981
FY24	Base	\$ 841,727,782			
	Regular	\$ 538,169,990			
	Expansion	\$ 303,557,792			
FY25 Incr.	Increase	\$ 138,541,020			
	Regular	\$ 88,578,066	\$ 36,830,760	\$ 51,747,306	\$ 88,578,066
	Expansion	\$ 49,962,954	\$ 4,996,295	\$ 44,966,658	\$ 49,962,954
			\$ 41,827,055	\$ 96,713,965	\$ 138,541,020

Inpatient, Outpatient, Dialysis, and Emergency Room					
FY23	Base	\$ 920,326,005			
	Regular	\$ 591,718,927			
	Expansion	\$ 328,607,078			
			Gen Funds	Fed Fund	Total Funds
FY24 Incr.	Increase	\$ 88,351,296			
	Regular	\$ 56,805,017	\$ 23,619,526	\$ 33,185,491	\$ 56,805,017
	Expansion	\$ 31,546,279	\$ 3,154,628	\$ 28,391,652	\$ 31,546,279
			<u>\$ 26,774,154</u>	<u>\$ 61,577,142</u>	<u>\$ 88,351,296</u>
FY24	Base	\$ 1,008,677,302			
	Regular	\$ 648,523,945			
	Expansion	\$ 360,153,357			
FY25 Incr.	Increase	\$ 166,019,449			
	Regular	\$ 106,741,361	\$ 44,383,058	\$ 62,358,303	\$ 106,741,361
	Expansion	\$ 59,278,088	\$ 5,927,809	\$ 53,350,279	\$ 59,278,088
			<u>\$ 50,310,867</u>	<u>\$ 115,708,582</u>	<u>\$ 166,019,449</u>

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared 1-9-2023

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	FY 2023-2024		FY 2024-2025	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$ 26,780,874	\$0	\$ 50,316,767	\$0
CASH FUNDS				
FEDERAL FUNDS	\$61,577,142	\$0	\$115,708,582	\$0
OTHER FUNDS				
TOTAL FUNDS	\$88,358,016	\$0	\$166,025,349	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This bill proposes a provider rate increase for Hospital services in Medicaid of 9.6% increase for State Fiscal Year (SFY) 24 and 7.7% increase for SFY 25. This bill specifically states on page 2 lines 6 and 11 that the increase is for “hospital services provided under a Medicaid prospective payment system (PPS)”.

The fiscal impact is based on the proposed rate for all hospital services. Below is the calculation of that fiscal impact and key assumptions.

SFY23	Hospital Base	\$	920,326,005			
	Regular	\$	591,718,927			
	Expansion	\$	328,607,078			
				Gen Funds	Fed Funds	Total Funds
SFY24 Incr	Increase	\$	88,351,296			
	Regular	\$	56,805,017	\$ 23,619,526	\$ 33,185,491	\$ 56,805,017
	Expansion	\$	31,546,279	\$ 3,154,628	\$ 28,391,652	\$ 31,546,279
				\$26,774,154	\$ 61,577,142	\$ 88,351,296
SFY24 Base	Base	\$	1,008,677,302			
	Regular	\$	648,523,945			
	Expansion	\$	360,153,357			
SFY25 Incr	Increase	\$	166,019,449			
	Regular	\$	106,741,361	\$44,383,058	\$ 62,358,303	\$ 106,741,361
	Expansion	\$	59,278,088	\$ 5,927,809	\$ 53,350,279	\$ 59,278,088
				\$50,310,867	\$ 115,708,582	\$ 166,019,449

Children and Family Services (CFS) division of the Department of Health and Human Services (DHHS) has identified \$70,000 in claims that would be affected by the increase.

	Year 1	Year 2
Rate of Increase	9.60%	7.70%
\$ 70,000.00	\$ 76,720	\$ 82,627
General Fund	\$ 6,720	\$ 5,900

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024	2024-2025
	23-24	24-25	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$88,358,016	\$166,025,349
Capital Improvements.....				
TOTAL.....			\$88,358,016	\$166,025,349