

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2171/3	Introduction Number AB-895
------------------------------------	--

Subject
 Require health care providers to state charges in relation to Medical Assistance fee schedule

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
--	--	---

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
--	--	--

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
DHFS/ Anne Miller (608) 266-5422	Freda Ellen Bove (608) 266-2907	2/20/2004

Fiscal Estimate Narratives

DHFS 2/23/2004

LRB Number	03-2171/3	Introduction Number	AB-895	Estimate Type	Original
Subject					
Require health care providers to state charges in relation to Medical Assistance fee schedule					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department of Health and Family Services (DHFS) to annually post health care provider rates under the Medical Assistance (MA) program on the DHFS web site by April 1st. DHFS is also required to collect rate information from health insurers permitted to do business in Wisconsin and all health care providers permitted to provide services in Wisconsin. On a form provided by DHFS, insurers must provide DHFS, by April 15th, the rates they pay health care providers. Health care providers are required by April 15th to provide DHFS, on a form provided by DHFS, the rates they charge for services. Insurers and providers must provide DHFS changes to their rates if they occur during the year, and providers may not charge increased rates before reporting them to DHFS. Under this bill, DHFS has the option of posting the collected rate information on the DHFS web site. The bill does not provide additional resources to DHFS for implementation of these requirements.

DHFS currently posts certain MA provider rates on its web site at <http://dhfs.wisconsin.gov/medicaid4/maxfees/maxfee.htm#medicaid>. The rate information on this site meets the bill's requirement that the posted information can be downloaded. Certain provider rates are not included on the above web site. Inpatient and Outpatient Hospital rates and weights are available on the DHFS web site in another location and could be moved or linked to the above site. Pharmacy and nursing home rates could be added, although it would require significant additional resources. There are currently 77,872 national drug codes and over 400 nursing homes each of which has 9 and 11 rates for each level of care provided. Thus, providing down-loadable MA rate information on the DHFS web site would increase Department administration costs. However, exact costs cannot be estimated at this time.

The rate collection requirements under this bill would also increase Department administration costs. It is assumed that the statutory requirements under this bill requiring providers and insurers to provide DHFS with rate information would not permit insurers and providers from withholding information as proprietary. It is also assumed that DHFS would be required to collect rate information on 125,975 procedure codes from over 50 health insurers and over 40,000 health care providers, since the bill does not limit the rate information DHFS must collect. In addition, the Department would be required to collect information on procedure codes modifiers. A procedure code could have as many as ten modifiers. From insurers, the Department would also collect rates for each procedure code and modifier for each line of business.

Because of the large number of procedure codes and health care providers, collection of this information through paper forms could be very inefficient and costly. In the past, before the availability of the internet and electronic data options, publication of physician rates under MA required a 900 page document. Efficient collection of rates requires electronic data sharing between DHFS and providers and insurers. It is unknown at this time if data sharing can be accomplished with the multitude of data systems among providers and insurers. Therefore the state fiscal estimate of this bill is indeterminate. However, costs could be significant especially if the desired result of data collection is data in an accessible format.

The local fiscal effect of this bill is also indeterminate. Some local governments are health care providers and would be required to provide DHFS rate information under this bill. Providing DHFS this information could increase costs for local governments, but their increased costs cannot be estimated at this time.

Long-Range Fiscal Implications