



## Fiscal Estimate Narratives

DHFS 6/7/2005

LRB Number	05-2635/3	Introduction Number	SB-201	Estimate Type	Original
<b>Subject</b>					
Prohibit DHFS from promulgating rules on fees for duplicate health care records below specified amounts					

### Assumptions Used in Arriving at Fiscal Estimate

Currently the Department is required to promulgate rules that prescribe fees for copies of patient health care records and X-ray reports. The fees apply to health care providers and must be based on an approximation of actual costs.

SB 201 prohibits the Department from promulgating a rule that prescribes fees that equal the following amounts:

- For patient requests, \$0.31 per health care record copy page and \$5.25 per X-ray copy, plus actual postage or other delivery costs and any applicable sales tax.
- For requests from individuals other than the patient or the patient's personal representative, \$0.31 per page, plus \$12.50 per request for a request for 4 or fewer pages, and \$15.00 for a request over four pages. In addition, actual postage and sales tax can be charged.
- For X-ray copies, \$5.25 per copy, plus postage and sales tax.
- For certification of copies, \$5.00 per request for four or fewer pages and \$7.50 for requests over four pages.

When the Department proposed to promulgate rules containing the costs specified above, the Joint Committee for Review of Administrative Rules did not approve the proposed rules. As required by s.227.19 (5)(e), the Committee introduced SB 201 in support of this objection.

In terms of the Department's costs, the cost of copying medical records primarily affects the Disability Determination Bureau (DDB). DDB routinely requests large volumes of medical records to adjudicate disability claims for the Social Security disability, Supplemental Security Income (SSI), and Medicaid disability programs. The Bureau makes approximately 200,000 record requests annually. Records received in response to DDB's request average 26 pages of records. DDB costs for medical record expenses are estimated to be \$3.5 million in FFY 05. If the fees for medical records increased to the amounts proposed by DHFS in its proposed rule, and if all health care providers applied these rates, the Bureau would require an additional \$674,200 FED annually from SSA for costs associated with the Social Security and SSI disability programs. These costs would increase if a fee increase in excess of the Department's proposal were imposed, but it is not possible to estimate the extent of these increased costs until the new fee is determined.

DDB's costs for medical record copying for the Medicaid disability program are estimated to be \$265,000 AF in FFY 05. If the rates in the Department's proposed rule were adopted, increased costs to the Medicaid program would be \$49,900 AF (\$24,900 GPR) annually. These costs would increase if a fee increase in excess of the Department's proposal were imposed, but it is not possible to estimate the extent of these increased costs until the new fee is determined.

It is likely that an increase in medical records copying costs will also affect the Department's institutions. The Mental Health Institutions request medical records for every admission, although not every health care provider charges for these copies. If a fee increase is prescribed, costs to the institutions will also increase, but it is not possible to determine the extent of these increases.

The Food Stamp certification program is a state program administered by county income maintenance (IM) agencies. Local agencies may request medical records to identify utilization of medical services by applicants for the purpose of determining eligibility. Costs for record requests are reimbursed as part of the administrative costs of local IM agencies. If medical record fees are increased, costs for local agencies could increase if contract amounts are not increased. Since medical records costs are not reported under the county income

maintenance contract, the extent of this increase cannot be estimated.

### **Long-Range Fiscal Implications**