

Fiscal Estimate Narratives

DHS 11/4/2013

LRB Number	13-3396/1	Introduction Number	SB-360	Estimate Type	Original
Description Uses and disclosures of protected health information					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, patient health care records may be released under various circumstances without informed consent. Mental health treatment records are generally required to be confidential, but may be released under more limited circumstances. The bill would expand the ability of covered entities or their business associates, as defined by federal regulation, to use, disclose, and request disclosure of protected health information in a mental health treatment record or patient health care record. These entities would be exempt from certain confidentiality requirements provided that the use, disclosure or request complies with certain federal regulations and is made for the purposes of treatment, payment, or health care operations, as defined by federal regulations. Mental health treatment facilities would be required to comply with the notice of privacy practices obligations under federal regulations. The bill also requires DHS to make widely available an accessible and comprehensive document explaining health information privacy rights.

The fiscal effect of the bill is indeterminate. The estimate focuses on expanded access to mental health treatment records, which are more restricted under current law than other health records. One study showed that hospitals that made psychiatric electronic medical records (EMR) available to non-psychiatric physicians correlated with lower readmissions rates for psychiatric patients. However, this study was based on a small sample (18 hospitals), and there are many factors other than psychiatric EMR that could have caused lower readmission rates. In addition, lower readmission rates could be tied to increased utilization of other treatments, which would offset savings from reduced inpatient costs.

The bill may result in Medicaid savings if the bill leads to lower health care costs for recipients who receive mental health treatment; however, the extent of any savings is difficult to measure. For illustration only, a 1% reduction in Medicaid fee-for-service expenditures for those Medicaid recipients with a fee-for-service mental health claim would equate to savings of approximately \$2.2 million GPR (\$5.5 million AF) annually. This estimate assumes an average of 50,000 Medicaid recipients with mental health claims per month and per member per month costs of \$915. Because of the uncertain impact of the bill's provisions on service utilization, the fiscal effect is indeterminate.

Long-Range Fiscal Implications

Indeterminate; see Assumptions.