

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

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|------------------------------------|---|
| LRB Number 17-2261/1 | Introduction Number AB-0462 |
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Description
 complex rehabilitation technology for complex needs patients in the Medical Assistance program and requiring the exercise of rule-making authority

Fiscal Effect

State:

- | | | |
|--|--|---|
| <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs |
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Local:

- | | | |
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| <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> 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 |
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|--|---------------------------------------|
| 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 | |

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| Agency/Prepared By | Authorized Signature | Date |
| DHS/ Andrew Walsh (608) 266-5655 | Andy Forsaith (608) 266-7684 | 8/11/2017 |

Fiscal Estimate Narratives

DHS 8/11/2017

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|--|-----------|---------------------|---------|---------------|----------|
| LRB Number | 17-2261/1 | Introduction Number | AB-0462 | Estimate Type | Original |
| Description complex rehabilitation technology for complex needs patients in the Medical Assistance program and requiring the exercise of rule-making authority | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill creates new requirements related to the provision of complex rehabilitation technology (CRT) through Wisconsin's Medicaid program. Currently CRT-related services are provided through the Medicaid program's durable medical equipment benefit. This bill would direct the Department to establish standards for CRT suppliers in order to be reimbursed by the Wisconsin Medicaid program, to cover specific procedure codes related to CRT, and would prohibit the Department from using a bidding or selective contracting process for those procedure codes. The bill does not simultaneously provide additional funding to the Department to implement changes specified in this bill.

CRT is defined as durable medical equipment individually configured to meet specific and unique medical, physical, and functional needs and is used to accomplish basic and instrumental activities of daily living. CRT generally refers to types of motorized wheelchairs and their accessories that accommodate users' specific medical needs by providing positioning adjustments, pressure management, and advanced electronic controls. Individuals who make use of CRT often have limited mobility associated with a permanent or progressive diagnosis.

Currently, the Department covers 111 of the 149 CRT codes specifically listed in the bill; for these codes, the Department spent \$5.2 million AF (\$2.1 million GPR) in CY 2016.

This bill could potentially increase Medicaid benefit expenditures in two ways. First, it would result in Medicaid reimbursement for the 38 CRT-related codes not currently covered. The additional cost associated with expanding CRT-related services cannot be determined as the Department does not have data to estimate future utilization or reimbursement rates for these 38 codes. Second, the Legislature could direct DHS to increase rates for currently covered CRT codes through the rule making process.

The requirement that the codes specified in the bill be exempt from any bidding or selective contracting process may limit the Department's future ability to find cost-savings associated with CRT-related services. Currently, CRT-related services are reimbursed according to a maximum fee schedule.

Additionally, there will be costs associated with the requirement that the Department set rules and policies relating to CRT codes and reimbursement rates and with the requirement that the Department establish supplier standards and limit reimbursement only to qualified suppliers. These costs will be both one-time and ongoing as they relate to the development of rules and policies and for the periodic review and maintenance of rates and the administrative code. The Department estimates a 0.5 FTE program and policy analyst-advanced would be needed to carry out these responsibilities at an ongoing cost of \$50,400 AF (\$25,200 GPR) and one-time costs of \$12,700 AF (\$6,350 GPR).

Long-Range Fiscal Implications