

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 03-4167/2 | Introduction Number SB-484 |
|------------------------------------|--|

Subject
 Medical Assistance contract reimbursement on

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs Permissive Mandatory
 - 2. Decrease Costs Permissive Mandatory
 - 3. Increase Revenue Permissive Mandatory
 - 4. Decrease Revenue Permissive Mandatory
- 5. Types of Local Government Units Affected**
- Towns Village Cities
 - Counties Others
 - School Districts 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 |
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Fiscal Estimate Narratives

DHFS 3/2/2004

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| Subject | | | | | |
| Medical Assistance contract reimbursement on | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Currently, the Department of Health and Family Services may contract with any organization to administer Medical Assistance (MA) benefits, including prepaid health care providers, such as health maintenance organizations. Under 42 USC 1396b(m)(2)(A)(iii), payments for prepaid health care benefits, such as health maintenance organization capitation rates, must be actuarially sound.

Senate Bill 484 requires that any contract for prepaid health care benefits include a provision requiring that payments be made on an actuarially sound basis that is consistent with federal law. Since this simply restates a requirement under federal law, there would not be any fiscal impact under this bill.

Long-Range Fiscal Implications