

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-1472/1	Introduction Number AB-122
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Subject
 MA reimbursement for transportation by specialized medical vehicle

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<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	3. <input type="checkbox"/> Increase 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
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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

Agency/Prepared By DHFS/ Ellen Hadidian (608) 266-8155	Authorized Signature Andy Forsaith (608) 266-7684	Date 4/5/2005
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Fiscal Estimate Narratives

DHFS 4/5/2005

LRB Number	05-1472/1	Introduction Number	AB-122	Estimate Type	Original
Subject					
MA reimbursement for transportation by specialized medical vehicle					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, Wisconsin Medicaid (MA) reimburses three categories of transportation services: (a) common carrier (the patient's or a volunteer's vehicle, human service vehicle, or a county vehicle); (b) specialized medical vehicle (SMV) which is transportation by a vehicle equipped with a ramp or lift and can accommodate wheelchairs; and, (c) ambulance. Providers of transportation services to MA patients under (b) and (c) must be certified by the Department. The Department requires that all vehicles used to provide SMV services be equipped to accommodate a wheelchair. In addition to individuals in wheelchairs, SMVs may be used to transport patients who are blind or who are cognitively disabled and need special restraints.

This bill allows SMV providers to use vehicles which are not equipped for wheelchair accessibility. Under the bill, if an MA-certified SMV provider uses two or more vehicles to provide SMV services, at least two of the vehicles must be equipped to accommodate a wheelchair and one additional vehicle must be able to be converted to accommodate a wheelchair. The bill also provides that the reimbursement rate for SMV transportation provided in a vehicle which does not accommodate wheelchairs be the same as the rate for vehicles which do accommodate wheelchairs.

Under this bill, it would be possible for a provider with a fleet of vehicles to equip only two of them to accommodate wheelchairs, thereby limiting the number of vehicles available for SMV transportation that can accommodate wheelchairs. As a result, there is the potential of limited access for individuals who rely almost exclusively on this mode of transportation. A provider with 8 vehicles, for example, will need to equip only two of them for wheelchairs. If individuals who need health care are not able to gain access to that care in a timely way, or if they are transported in vehicles that are not equipped for their safety and suffer injuries as a result, it is likely that the cost of their health care will increase. It is not possible to estimate the extent of this increase.

The bill also provides that an MA-certified provider of SMV transportation may receive MA reimbursement for transporting a person in a vehicle that is not wheelchair accessible if the person does not use a wheelchair and that the reimbursement rate for vehicles that are not wheelchair-accessible be the same as the rate for vehicles that are wheelchair-accessible. Currently the rates for transportation are \$0.24/mile in a car driven by a patient or \$0.33/mile for a volunteer-driven car, \$0.50/mile in a human service vehicle, and \$1.05/mile for a county-operated vehicle. By comparison, the rate for transportation in an SMV is \$1.25/mile, plus a base rate of \$11.87.

Due to the reduced requirements for operating as a provider, it might be expected that additional SMV providers will join the market and that existing providers may increase the number of vehicles. This could increase costs due to the greater availability of vehicles.

The Department's policy is to ensure that only eligible SMV services are reimbursed. Although any specialized transportation must be approved by a patient's doctor, the chance for fraud exists. Fraud occurs when SMV services are provided to individuals who do not require these services. To the extent that lifting restrictions on the type of vehicles that qualify as SMV transportation increases the number of vehicles in operation, the chance for fraud increases. Also, it is likely to be more difficult to maintain the integrity of the SMV system since the reduced requirements will increase the number of operators to monitor.

Long-Range Fiscal Implications