

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-2468/1		Introduction Number SB-313		
Subject Reimbursement for school medical services under the Medical Assistance program.				
Fiscal Effect				
State:				
<input type="checkbox"/> No State Fiscal Effect				
<input type="checkbox"/> 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 checked="" 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:				
<input type="checkbox"/> No Local Government Costs				
<input type="checkbox"/> Indeterminate				
1. <input type="checkbox"/> Increase Costs	3. <input checked="" type="checkbox"/> Increase Revenue	5.Types of Local Government Units Affected		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	<input type="checkbox"/> Towns	<input type="checkbox"/> Village	<input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> Counties	<input type="checkbox"/> Others	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input checked="" type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts	
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				
Agency/Prepared By		Authorized Signature	Date	
DPI/ Michael Bormett (608) 266-2804		Michael Bormett (608) 266-2804	10/12/2005	

Fiscal Estimate Narratives

DPI 10/13/2005

LRB Number 05-2468/1	Introduction Number SB-313	Estimate Type Original
Subject Reimbursement for school medical services under the Medical Assistance program.		

Assumptions Used in Arriving at Fiscal Estimate

Currently, for providing school-based medical services (SBS) to pupils who are Medicaid (MA) recipients, DHFS must reimburse school districts and cooperative educational service agencies (CESAs) for 60 percent of claimed federal MA funds. Similarly, and at the same rate, DHFS must reimburse DPI for SBS that are provided by the Wisconsin Center for the Blind and Visually Impaired (WCBVI) and the Wisconsin Education Services Program for the Deaf and Hard of Hearing (WESPDHH).

The bill requires that, beginning July 1, 2008, in addition to the 60 percent payment, DHFS reimburse a school district or CESA for 100 percent of that portion of federal MA funds for allowable charges for SBS that is in excess of \$21,660,000. DHFS must distribute this required reimbursement based on the percentage of total reimbursement for SBS that each school district and CESA received in the immediately previous fiscal year.

State Fiscal Effect

This bill will have no fiscal effect on the DPI. However, the bill as drafted will decrease general fund revenues by \$14.4 million compared to current law, as described below. It should be noted that the bill's repeal of both the Special Education aid lapse requirement and the DHFS supplemental payments was previously accomplished in 2005 Act 25, the 2005-07 biennial budget bill. DPI will note this in a Technical Note to the drafting attorney.

Local Fiscal Effect

This bill, as drafted, would result in an additional \$14.4 million in MA revenues to school districts compared to current law. In FY 05, the state claimed \$36,100,000 million in MA SBS revenues; 60 percent, or \$21,660,000, was paid to school districts. The remaining \$14.4 million was deposited to the state general fund. Under the bill, as drafted, school districts would be entitled to 100 percent of the difference between \$21,660,000 and the \$36.1 million, in addition to the 60 percent stated above. As such, school districts would receive 100 percent of all MA SBS claims, using the \$36.1 million base.

DPI does not have information to project whether, or by how much, future MA SBS claims would grow as a result of the additional revenues permitted under the bill. As such, any future growth in MA SBS revenues to school districts is indeterminate.

Given the 2-step nature of the MA SBS payments and differing percentages under the bill as drafted, it is assumed that the bill may have intended to increase the MA SBS percentage paid to school districts but did not intend to award 100 percent of all current MA SBS claims to school districts. As such, DPI will include in the Technical Note mentioned above a comment that the bill may need to be amended to avoid such a payment situation.

Long-Range Fiscal Implications