

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-1848/1	Introduction Number AB-0639
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Description
 pilot program for reimbursement of certain costs relating to hospitalization for purposes of emergency detention

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		5. Types of Local Government Units Affected
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

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 DHS/ Michael Christopherson (608) 266-9364	Authorized Signature Andy Forsaith (608) 266-7684	Date 1/14/2020
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Fiscal Estimate Narratives

DHS 1/14/2020

LRB Number	19-1848/1	Introduction Number	AB-0639	Estimate Type	Original
Description pilot program for reimbursement of certain costs relating to hospitalization for purposes of emergency detention					

Assumptions Used in Arriving at Fiscal Estimate

This bill would require the Department to create an emergency detention reimbursement pilot project available to hospitals in Barron, Burnett, Dunn, Pierce, Polk, St. Croix, and Washburn Counties. Under current law, counties contract with local facilities to provide emergency detention services, however these facilities can refuse to detain an individual. If the facility refuses to accept an emergency detention, and another facility cannot be found for placement, counties typically admit the individuals to Winnebago Mental Health Institute (WMHI). WMHI is, and would remain under the bill, the only facility in the state required to take a patient under an emergency detention.

Under current law, counties are responsible for paying for any portion of an emergency detention not reimbursable from other services. If an individual who is admitted to a facility under an emergency detention has health insurance that covers the cost of the hospitalization, the facility would bill the health insurance for the services. However, if the individual is indigent, or if the emergency detention is not covered by the insurance plan, then the county is responsible for the cost of detention.

This bill directs the Department to provide funding to pilot project hospitals for services provided after July 1, 2021, according to the formula specified in the bill. Under the provisions of the bill, hospitals that choose to participate in the emergency detention pilot program are required to report to the county health department the hospital's average bed cost per day and the hospital's average rate per day. The bill does not provide any support to county agencies to implement this requirement. The bill defines the hospital's average rate as an average of the per bed per day rates received by the hospital under Medicare, Medicaid, and private insurance. Based on the hospital-reported data, DHS would be required to determine and provide an amount of up to 80 percent of the difference between the hospital's average daily rate and their average per bed per day cost. County human services departments would pay the remaining reimbursement.

It is unclear what the cost of implementing this program would be. Currently, hospitals rely on revenues from Medicaid, Medicare, and private insurance to cover their daily costs of care. Because the formula in the bill compares the average of the overall per bed cost to per bed rate, the possibility exists that in any given year the reimbursement rate would be higher than the actual cost of providing an emergency detention. A hospital whose average reimbursement across all payors exceeded average costs would not be eligible for payments under the bill.

The bill requires DHS to evaluate the funding necessary to provide these reimbursements and include a request for funding a pilot program in its 2021-23 budget request. The Department would be able to evaluate and develop the budget proposal with its current resources.

Long-Range Fiscal Implications