

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-3740/1	Introduction Number AB-0648
Description physical health services and acupuncture under Medical Assistance program and making an appropriation	
Fiscal Effect	
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" 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	
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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	
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 20.435(4)(b), 20.435(4)(o)	
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Date 1/6/2020	

Fiscal Estimate Narratives

DHS 1/6/2020

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Description physical health services and acupuncture under Medical Assistance program and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

Provisions related to Acupuncture Services:

This bill directs the Department to begin reimbursing for acupuncture services provided to members enrolled in Wisconsin's Medicaid program, so long as the Department receives federal approval for including those services as a covered Medicaid benefit.

Presently, the Department does not cover acupuncture services and would need federal approval to include acupuncturist services among the benefits available through the Wisconsin Medicaid program. The timeline of submitting a state plan amendment and receiving approval from the federal government is uncertain.

Several other states' Medicaid programs cover acupuncture services, to a variable extent and subject to individual states' coverage policies, including California, Maryland, Massachusetts, Minnesota, New Jersey, Ohio, Oregon, and Rhode Island. Minnesota's Medicaid program covers acupuncture services for a variety of underlying conditions, including acute and chronic pain, depression and anxiety, and post-operative and cancer care. For members who require more than 20 acupuncture visits per year, Minnesota Medicaid does require prior authorization. Minnesota Medicaid reports annual expenditures for acupuncture services are \$3.2 million, from all fund sources.

Were Wisconsin Medicaid to begin covering acupuncture services in a manner similar to Minnesota, the Department could reasonably anticipate spending an annual amount equal to Minnesota's expenditures for acupuncture services. At Wisconsin's current federal matching rate, expenditures of \$3.2 million All-Funds annually would consist of \$1.3 million GPR and \$1.9 million FED. The timing of these costs would depend upon when and if the Department received federal approval for covering acupuncture services.

Provisions related to Physical Health Reimbursement:

In addition, the bill allows the Department to seek \$500,000 GPR in supplemental funding from the Joint Finance Committee's supplemental appropriation for purposes of increasing reimbursement rates to physical medicine providers in each year of the 2019-21 biennium. The rate increase specified by the bill would apply only to those services provided by physical medicine providers in the course of treating or mitigating members' pain. In the context of this provision, physical medicine providers may include chiropractors and physical therapists.

If enacted, the Department would submit a request for release of the funding to finance a rate increase equal to the appropriated amount plus matching federal funds.

Long-Range Fiscal Implications