

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-4125/1</b>	<b>Introduction Number</b> <b>SB-453</b>
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**Description**  
 prior authorization of specially formulated nutritional supplements and replacements

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input 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 type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <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
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DHS/ Mitchell McFarlane (608) 266-9359	Andy Forsaith (608) 266-7684	10/20/2021

## Fiscal Estimate Narratives

DHS 10/20/2021

LRB Number	21-4125/1	Introduction Number	SB-453	Estimate Type	Original
<b>Description</b> prior authorization of specially formulated nutritional supplements and replacements					

### Assumptions Used in Arriving at Fiscal Estimate

The original version of this bill removes Wisconsin Medicaid's prior authorization requirement for parenteral nutritional formulae and retains prior authorization requirements under current law only for enteral nutritional supplements and replacements administered orally. Under the provisions of Substitute Amendment 1, this bill instead removes Wisconsin Medicaid's prior authorization requirement for nutritional formulae administered via feeding tube and retains all other prior authorization requirements under current law for parenteral formulae and enteral formulae not administered via feeding tube.

Under current law, the Wisconsin Medicaid program requires prior authorization for certain medical services, including enteral nutritional formulae administered via feeding tube. For these services, providers must submit a prior authorization request to the Department of Health Services, which must approve the request before the service is provided. The prior authorization process is designed to ensure that the services that Medicaid participants receive are medically necessary, appropriate, and meet other quality standards for care. The Department can approve the request, approve the request with modification, or deny the request.

Wisconsin Medicaid's prior authorization request process for enteral nutritional formulae administered by feeding tube is automated, with manual review required for only a small portion of requests. This automated system guides the provider through the request process to ensure accuracy. Anyone who is only fed via feeding tube will be automatically approved for twelve months, and children with certain conditions will be automatically approved for six months.

Currently less than 0.15% of prior authorization requests for enteral nutrition are denied. In 2020 the potential cost of these denied requests for formulae administered via feeding tube totaled \$3,000.

This bill with substitute amendment would remove the prior authorization requirement for nutritional formulae administered by feeding tube. Although technically the provisions of this bill could result in nutritional formulae being administered to Medicaid patients in cases when it would otherwise be denied in the prior authorization process or in cases when the prior authorization process otherwise would have dissuaded providers from requesting approval, in practice the Department expects such instances to be rare. Thus, the Department projects no increase in Medicaid service utilization and no fiscal impact associated with this bill.

### Long-Range Fiscal Implications