

Fiscal Estimate - 2021 Session

Original Updated Corrected Supplemental

LRB Number **21-5243/1** Introduction Number **SB-737**

Description
modifying and creating administrative rules to require reimbursement for group physical therapy under the Medical Assistance program

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
 - Increase Existing Revenues
 - Decrease Existing Revenues
 - Increase Costs - May be possible to absorb within agency's budget
 - Yes
 - No
 - Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs
 - Permissive Mandatory
 - 2. Decrease Costs
 - Permissive Mandatory
 - 3. Increase Revenue
 - Permissive Mandatory
 - 4. Decrease Revenue
 - Permissive Mandatory
 - 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEGS s. 20.435 4(b) and 4(o)

Affected Ch. 20 Appropriations

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DHS 1/3/2022

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Description					
modifying and creating administrative rules to require reimbursement for group physical therapy under the Medical Assistance program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin Medicaid program covers physical therapy procedures for individuals but not for groups of two or more individuals. In calendar year 2019, Wisconsin Medicaid paid approximately \$4,850,000 all funds for physical therapy procedures provided by individual providers through both fee for service and managed care. Group therapeutic procedures are covered for other therapies, including occupational and speech therapy. In calendar year 2019, Wisconsin Medicaid paid approximately \$310,000 all funds for group therapeutic procedures, the vast majority of which were covered through school based services.

This bill would require reimbursement of group physical therapy under Wisconsin Medicaid for groups between 2 and 10 individuals. Under current policy, Medicaid maximum reimbursement rates for group occupational and speech therapy procedures are approximately 20%–25% of maximum reimbursement rates for individual therapy procedures. Similarly, the Department expects reimbursement rates for group physical therapy would be lower than for individual therapy.

The provisions of this bill would allow some Medicaid members to receive physical therapy services in a group environment, rather than individually, which would lower costs for the Medicaid program proportionate to the share of physical therapy services shifting from individual to group physical therapy services. The provisions of this bill may also increase utilization of Medicaid physical therapy services, which could increase costs for the Medicaid program. Although the exact fiscal impact of this bill is difficult to estimate, the limited provider billing under existing Medicaid group occupational and speech therapy services suggests the net impact of the bill's provisions would be minor. The fiscal impact of this bill is indeterminate.

Long-Range Fiscal Implications