

FISCAL NOTE
Requested by Legislative Council
04/01/2015

Amendment to: SB 2272

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$2,655,638		\$2,857,071
Expenditures			\$2,655,638	\$2,655,638	\$2,857,071	\$2,857,071
Appropriations			\$791,099	\$(619,733)	\$2,857,071	\$2,857,071

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB2272 directs the Dept. to adjust rates for physical therapy, occupational therapy, and speech therapy to 50% of the Dept.'s fee schedule established using the RVU's, relative value units. And to rebase ambulance service fees to 80% of the 2014 Workforce Safety and Insurance fee schedule.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 directs the department to adjust its medical assistance payment rates for physical therapy services, occupational therapy services, and speech therapy services to fifty percent of the department's professional fee schedule established using the RVU's for the rate year beginning July 1, 2015. This will increase expenditures by 1,501,784 for the 15-17 biennium and will effect expenditures for both the Department of Human services (DHS) and the Department of Public Instruction (DPI).

DHS expenditures in the 15-17 Biennium will increase \$1,178,173 of which \$427,281 is General Fund and \$750,892 is Federal funds.

DPI expenditures in the 15-17 Biennium will increase \$323,611, of which 100% is General Fund.

Section 2 directs the department to rebase ambulance service fees to eighty percent of the 2014 Workforce Safety and Insurance fee schedule. This will increase expenditures by \$3,809,492, of which \$1,904,746 is General Fund and \$1,904,746 is Federal Funds.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenue increase represents the additional amount of federal Medicaid funding the Department will be able to access due to the change in reimbursement rates for rebasing PT, OT, Speech Therapy and Ambulance services. The revenue increase is estimated at \$2,655,638 for the 15-17 biennium and \$2,857,071 for the 17-19 biennium.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The estimated expenditures under the Medical Assistance grants line item will increase for both DHS and DPI for the 15-17 biennium and the 17-19 biennium.

DHS expenditures in the 15-17 Biennium will increase 4,987,665, of which \$2,332,027 is General Fund and \$2,655,638 are Federal funds. In the 17-19 biennium, estimated expenditures would increase \$5,370,856 of which, \$2,513,785 is general fund and \$2,857,071 are federal funds.

DPI expenditures in the 15-17 Biennium will increase \$323,611, of which 100% is General Fund. In the 17-19 biennium, estimated expenditures would increase \$343,286, of which 100% is General Fund.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The total DHS and DPI appropriation need for SB2272 for the 15-17 Biennium is 5,311,276, of which \$2,655,638 is General Fund and \$2,655,638 is Federal funds. These amounts have been partially funded in SB2012. Engrossed Senate bill 2012 with Senate adjustments includes \$1,000,000 for ambulance rebasing of which, \$500,000 is general fund and \$500,000 is Federal funds. And SB2012 includes \$4,139,910 for rebasing OT, PT, and Speech Therapy of which, \$1,364,539 is general fund and 2,775,371 is federal funds.

Therefore DHS and DPI appropriations will need to be adjusted as follows:

DHS will need a net appropriation decrease for the 15-17 biennium of (\$152,245), of which, \$467,488 is a General Fund increase and (\$619,733) is a Federal fund decrease.

DPI will need an appropriation increase for the 15-17 biennium of \$323,611, of which 100% is General Fund.

DHS will need an appropriation increase for the 17-19 biennium of \$5,370,856 of which, \$2,513,785 is General Fund and \$2,857,071, is Federal funds.

DPI will need an appropriation increase for the 17-19 biennium of \$343,286 of which 100% is General Fund.

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