

FISCAL NOTE
Requested by Legislative Council
04/07/2011

Amendment to: Engrossed
SB 2024

1A. 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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$49,446	\$40,716	\$65,928	\$6,072
Expenditures			\$185,256	\$36,162		
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$54,000			\$72,000		

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

This bill provides for the Department to process claims for inmates in county jails. It also expands Medicaid coverage to inmates of the state penitentiary or a county jail who would be eligible for Medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

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.*

Part one of Section 5:

The Information Technology Department is estimating a cost of \$149,094 to make the necessary changes to the current Medicaid Management Information System (MMIS) in order for the Department to process the county jail claims. This IT project is estimated to take 5 months and it would need to be prioritized with the other MMIS work requests.

The \$149,094 is not an allowable Medicaid expenditure; therefore, the cost of the modification for fiscal note purposes is paid with 100% state general fund dollars.

Part two of Section 5:

The Information Technology Department is estimating a cost of \$72,324, of which \$36,162 is general fund to make the necessary changes to the Medicaid eligibility system in order to capture federal Medicaid reimbursement for Medicaid-eligible inmates for inpatient hospital services. This IT project is estimated to take 3 months and it would need to be prioritized with the other eligibility system work requests.

This \$72,324 is an allowable Medicaid expenditure (50/50 FFP).

The Medicaid expansion would only become effective with the rollout of the new MMIS. The eligibility system changes would be made to become effective with the rollout of the new MMIS.

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 counties will be charged a fee, estimated to be \$2.53 for each county medical claim processed by the

Department through MMIS. The Association of Counties estimated 100 claims per month would be submitted to the Department for processing. Therefore after consideration of the 5 months needed to complete the project it is estimated 1,800 claims will be submitted to the Department in 2011-2013, and 2,400 claims in 2013-2015. The counties will be responsible to pay up to \$30.00 per claim, of which \$2.53 would be retained by the Department to reimburse the Department for the cost of processing the claim. The remaining \$27.47 will be used to reimburse the State for the MMIS changes of \$149,094. The resulting revenue from the Counties is estimated to be \$54,000 for 2011-2013 and \$72,000 for 2013-2015.

There is also an Eligibility System Change required costing \$72,324 at a 50/50 FFP resulting in \$36,162 in Federal Revenue.

- 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 Department is estimating operating costs for the 2011-2013 biennium of \$149,094 in General Fund for the changes necessary to the current Medicaid Management Information System (MMIS) in order for the Department to process the county jail claims.

The Department is also estimating operating costs for the 2011-2013 biennium of \$72,324, of which \$36,162 is General Fund, to make the necessary changes to the Medicaid eligibility system in order to capture federal Medicaid reimbursement for Medicaid-eligible inmates for inpatient hospital services.

- 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 is also included in the executive budget or relates to a continuing appropriation.*

Section 6 of this Bill provides a general fund appropriation of \$149,094, for the 2011-2013 biennium for the purpose of modifying the Department's Medicaid claims system to process claims submitted by enrolled Medicaid providers on behalf of inmates of county jails.

Section 7 of this Bill provides an appropriation of \$72,324, of which \$36,162, is general fund for the purpose of modifying the Department's Eligibility systems to process inpatient hospital claims for inmates of the state penitentiary and county jails.

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