

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2643-02
BILL NO.: HB 1514
SUBJECT: Administration, Office of; Appropriations; State Departments
TYPE: Original
DATE: February 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

***Costs expected to exceed \$100,000.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

***Revenues and expenditures exceeding \$100,000 annually net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance** and the **Department of Health** assume this proposal would not fiscally impact their agencies.

The **Department of Conservation**, the **Missouri Consolidated Health Care Plan**, the **Department of Transportation**, and the **Department of Public Safety - Missouri State Highway Patrol** did not respond to our fiscal impact request. However, in responding to a similar proposal last session these agencies assumed they would not be fiscally impacted by this proposal.

The **Department of Social Services, Division of Medical Services (DMS)** states the federal nonemergency medical transportation program (NEMT) consists of two types of programs, the broker and public entity. The broker contracts with companies and individuals to provide transportation services. The broker must meet certain requirements set out in the contract with DMS, and has set additional requirements for their contractors. All requirements listed in the proposal are currently met through either the contract between DMS and the broker or standards set by the broker. Therefore, this proposal would not fiscally impact NEMT services provided by the broker.

DMS further states that the public entity program is based on an interagency agreement with a public entity that provides transportation, such as Jefftran (Jefferson City Transit) and the Missouri Kidney Program. The public entity receives federal matching for providing transportation to Medicaid recipients and may provide transportation directly, subcontract for services, use lease agreements or volunteers, or reimburse someone with gas/bus tokens. No specific guidelines are set forth in the interagency agreement for driver training, safety, or background checks. Most public entities have requirements and standards set for their drivers; however, not all public entities will meet the requirements established in the proposal. DMS assumes that the Missouri Kidney Program, for example, would not meet all requirements and would cut back on trips. DMS further assumes the results of this proposal on this program would result in unknown costs expected to exceed \$100,000.

DMS states that if public entities cut back on trips or drop transportation services because of the higher costs associated with the standards, higher Medicaid costs will result. The trips would be provided instead by the broker at a higher cost. The average trip provided by a broker is \$32, and the average cost of a public entity trip is \$8.40. Assuming 15,000 trips that were provided by public entities are now provided by brokers, increased costs would be \$354,000.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Costs - Department of Social Services - Division of Medical Services</u>			
Increase in Medicaid costs*	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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*Costs expected to exceed \$100,000.

FEDERAL FUNDS

<u>Income - Department of Social Services - Division of Medical Services</u>			
Medicaid reimbursements	Unknown	Unknown	Unknown

<u>Costs - Department of Social Services - Division of Medical Services</u>			
Increase in Medicaid costs	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

MPW:LR:OD:005 (9-94)

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This proposal would require the Department of Social Services to promulgate rules to establish standards for drivers and vehicles in the federal nonemergency medical transportation program administered by the Division of Medical Services. In addition, the proposal would require any driver providing services for this program to possess a valid class E Missouri chauffeur's license; to have no prior convictions for any class A, B, or C felonies; to know safety procedures for loading, unloading, and transporting passengers with various physical impairments; to use and maintain specialized equipment necessary for transporting special needs persons; and to maintain a no smoking policy while providing transportation services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance
Department of Health
Department of Social Services

NOT RESPONDING: Department of Conservation, Missouri Consolidated Health Care Plan, Department of Transportation, Department of Public Safety - Missouri State Highway Patrol



Jeanne Jarrett, CPA
Director
February 14, 2000