

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 235 (Chair, Health and Government Operations Committee)
 (By Request – Departmental – Health and Mental Hygiene)
 Health and Government Operations Finance

Maryland Medical Assistance Program - Transporters

This departmental bill repeals the statutory maximum reimbursement rate for emergency service transporter services under the Maryland Medicaid program and requires that reimbursement be as specified by regulations adopted by the Department of Health and Mental Hygiene.

DHMH also has to conduct a study on the feasibility of creating a uniform, nonemergency statewide Medicaid transportation program and report to specified standing committees by October 1, 2008.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: Medicaid expenditures could increase by \$520,000 (50% general funds, 50% federal funds) in FY 2009. Future years reflect increased utilization. No effect on general fund revenues. DHMH could conduct the study with existing resources.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	260,000	275,600	292,100	309,700	328,200
FF Expenditure	260,000	275,600	292,100	309,700	328,200
Net Effect	(\$520,000)	(\$551,200)	(\$584,200)	(\$619,400)	(\$656,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Revenues for local government fire and rescue departments could increase under the bill.

Small Business Effect: DHMH has determined that the bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Reimbursement for the transportation and medical services an emergency service transporter provides to a Medicaid recipient in response to a 911 call is capped at \$100 per transport.

Background: Chapters 410 and 411 of 1998 established the benefit as well as the \$100 cap on reimbursement for emergency service transporter services through the Medicaid program effective fiscal 2000. The rate has not been increased and no longer covers the costs of service.

In April 2007, DHMH submitted a proposed regulation to increase the reimbursement rate from \$100 to \$125. Lacking statutory authority, DHMH did not move forward with the regulation.

State Expenditures: Medicaid expenditures could increase by \$520,000 (50% general funds, 50% federal funds) in fiscal 2009. This estimate is based on the following information and assumptions:

- DHMH will increase reimbursement from \$100 to \$125;
- the increased rate will be in effect as of July 1, 2008; and
- 20,800 emergency service transports will be made for Medicaid recipients.

The fiscal 2008 budget includes \$489,914 for the rate increase, the amount that would have been necessary to implement the increase for a full year in fiscal 2008. However, no funding is included in the fiscal 2009 budget.

Future years reflect • a 6% annual increase in utilization of emergency service transports for Medicaid recipients; and • no additional rate increases.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Institute for Emergency Medical Services Systems, Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2008
mcp/ljm Revised - Updated Information - February 11, 2008
Revised - Enrolled Bill - May 2, 2008

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