

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 331** HLS 20RS 474
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 18, 2020	8:01 AM	Author: BAGLEY
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: non emergency medical transportation		

TRANSPORTATION EG INCREASE GF EX See Note Page 1 of 1

Authorizes transportation network companies to provide non emergency medical transportation services through the state Medicaid program

Proposed law provides that a transportation network company may connect a driver to a rider for the purpose of providing non emergency medical transportation services within the state through the Louisiana Medicaid program under certain conditions. Non emergency medical transportation providers may be required to meet the following: The company is under contract a broker contracted with a Medicaid managed care organization, or LDH. Proposed law provides the department to promulgate rules for implementation by October 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is anticipated to significantly increase Medicaid expenditures in FY 20 and future fiscal years as a result of adding a new provider type (transportation network companies) for non emergency medical services. This measure authorizes additional transport service providers to be reimbursed by Medicaid. The net impact depends on the number of individuals that choose the non emergency transportation (NEMT) model under this measure in lieu of transport services under the current non emergency medical transportation program, and the increase in NEMT utilization as a result of increased access. LDH indicates transportation network companies that would become Medicaid transportation providers under this measure include companies such as Uber and Lyft. The assumptions and calculations are reflected below.

1. Base year number of trips (2018) - 1,771,688
2. Projected increase based on utilization increase in non emergency medical transportation services
3. 10% increase in year 1, 3% increase year over year for out years
4. Average of \$30 charged per ride (based on Arizona Medicaid transportation model)

<u>Fiscal year</u>	<u>10% increase in trips</u>	<u>Total projected cost @ \$30</u>
FY 21	177,169	\$5,315,064
FY 22	182,484	\$5,474,516
FY 23	187,958	\$5,638,751
FY 24	193,597	\$5,807,914
FY 25	199,405	\$5,982,151

REVENUE EXPLANATION

To the extent rates and utilization increase for NEMT resulting in an increase in the capitation rate (managed care per member per month reimbursement), premium tax revenues generated would increase by an indeterminable amount. The premium tax is 5.5% of premiums. New revenues assume the new providers will contract with MCO's.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director