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 DATE PREPARED: February 04, 2011  
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**LB 539**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2011-12</b>		<b>FY 2012-13</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(25,000)		(50,000)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	See below	(25,000)	See below	(50,000)

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill requires the Department of Health and Human Services to submit a state plan amendment or waiver by July 1, 2011 to limit payment for emergency room visits to 12 per fiscal year under Medicaid. Emergency room visits that result in inpatient admission will not be counted towards the limit.

Federal Medicaid law does not allow for emergency room visits to be limited alone. They can be part of a limitation on outpatient hospital visits. However, Vermont and New Hampshire have limits on emergency room visits for adults. For purposes of this fiscal note, it is assumed that limitations will be allowable, since other states have been approved. In 2010, there were 248 adults on Medicaid who had over 12 emergency room visits. The total savings to the Medicaid Program is estimated to be \$2,371,000 (\$948,500 GF and \$1,422,500FF) annually.

In 2010, the University of Nebraska Medical Center treated 31 Medicaid patients with over 12 emergency room visits. The total lost revenue to the university would be approximately \$50,000 annually as the medical center would be required to treat the patients but collecting the payments from the patients would be unlikely. It is assumed the approval for a waiver would take at least six months, so the revenue loss would be \$25,000 in FY 12.

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

REVIEWED BY	Elton Larson	DATE 2/8/11	PHONE 471-2526
<b>COMMENTS</b>			
UNIVERSITY OF NEBRASKA: UN fiscal note does not appear to distinguish between emergency care provided at ER's and non-emergency care provided at ER's. No basis to disagree with agency estimate.			