

Ms. J.

PREPARED BY: Liz Hruska
DATE PREPARED: February 04, 2011
PHONE: 471-0053

LB 539

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(25,000)		(50,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	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
COMMENTS					
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.					

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LEGISLATIVE PRINTING

2011

Please complete ALL (5) blanks in the first three lines.

LB⁽¹⁾ 539 FISCAL NOTE

State Agency OR Political Subdivision Name: University of Nebraska
(2)

Prepared by: (3) Michael Justus Date Prepared: (4) February 4, 2011 Phone: (5) 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(50,000)		(50,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(50,000)		(50,000)

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

It is difficult to accurately predict the effect of LB 539 on the University (UNMC). Based on past history of Medicaid patients seen at the Nebraska Medical Center emergency room with over 12 visits per year (in 2010 this was 31 patients), we estimate \$50,000 in lost revenue for the University. Under EMTALA (the Emergency Medical Treatment and Active Labor Act), these patients would still need to be seen and treated, but the NMC would not be reimbursed for approximately \$100,000 in services provided to them. As the University owns 50% of NMC, the lost revenue would be about half of that.

If any patients are also being seen by doctors in the practice plan at other hospital emergency rooms, the lost revenue would be slightly higher than this estimate.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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FISCAL NOTE

LEGISLATIVE FISCAL

2011

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name: Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared: (4) February 8, 2011

Phone: (5) 471-8072

FY 2011-2012

FY 2012-2013

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	\$0	See Below	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Approximately 240 Medicaid clients exceeded 12 visits during SFY2010. The number of visits by these clients over the 12 set out in the legislation is estimated to be 2,150 and the average cost per visit was \$1,300. The average estimated cost per visit for a Medicaid client who is dually eligible for Medicare is \$250. Estimated savings for the 12 visit limit would be \$2,371,000 in total funds (\$948,500 GF). Savings would be offset by the costs of other covered services that might be utilized in place of the ER visit.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			See Above	See Above