



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0263	Title:	Require DPHHS to provide educational materials to medicaid enrollees
Primary Sponsor:	Caferro, Mary	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$53,362	\$13,500	\$13,500	\$13,500
Federal Special Revenue	\$68,988	\$13,500	\$13,500	\$13,500
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$68,988	\$13,500	\$13,500	\$13,500
Net Impact-General Fund Balance:	<u>(\$53,362)</u>	<u>(\$13,500)</u>	<u>(\$13,500)</u>	<u>(\$13,500)</u>

Description of fiscal impact: SB 263 requires the Department of Public Health and Human Services (DPHHS) to provide health care and Medicaid information to individuals in the Medicaid program. This will entail the development of information and ongoing educational opportunities on Medicaid benefits and health care topics. Although the amended bill directs DPHHS to absorb the costs within the existing appropriations, this fiscal note demonstrates the actual cost of the legislation.

FISCAL ANALYSIS

Assumptions:

Trainings:

- In Section 1 (3), the division will offer WebEx trainings for informational training settings on a quarterly basis.
- The correspondence will be provided electronically or within current existing department material.

Explanation of Benefits (EOB):

- In Section 1 (5), the division is assumed to provide the explanation of benefits through an electronic format.

4. Montana Medicaid Information System (MMIS)
 - a) The one time MMIS set-up costs for implementing an electronic format will be (780 hours x \$82.18= \$64,100).
 - b) The maintenance fee for providing the electronic explanation of benefits (EOB) is (\$166.67 x 12 months = \$2,000).
 - c) The customer call center at the fiscal agent is anticipated to require additional contracted services to handle increased customer calls. The cost is estimated to be \$25,000 annually (or \$2,083/month).
5. Combined Health Information and Montana Eligibility System (CHIMES)
 - a) Programming changes would be required to the CHIMES system for the EOBs to be available to clients when they log in through the Self-Service Portal.
 - b) The Medicaid Management Information System (MMIS) produces the EOB and would make these documents available on the SFTP server by a filename that includes the case number and personal ID for each client. These documents and records would be picked up by CHIMES, added to the clients database, and then be available to clients online.
 - c) 250 programming hours are estimated to be required to accomplish this service at a cost of \$125 per hour for a total one-time only cost of \$31,250.
 - d) This work would be performed under the MMIS operations fund split of 75% federal fund and 25% general funds.
6. Section 2 was amended to include “any cost incurred by the department in performing its responsibilities under this section must be absorbed into the department’s existing budget.” This language will take away from existing resources for the department in fulfilling the requirements of this bill.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$122,350	\$27,000	\$27,000	\$27,000
TOTAL Expenditures	<u>\$122,350</u>	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$27,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$53,362	\$13,500	\$13,500	\$13,500
Federal Special Revenue (03)	\$68,988	\$13,500	\$13,500	\$13,500
TOTAL Funding of Exp.	<u>\$122,350</u>	<u>\$27,000</u>	<u>\$27,000</u>	<u>\$27,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$68,988	\$13,500	\$13,500	\$13,500
TOTAL Revenues	<u>\$68,988</u>	<u>\$13,500</u>	<u>\$13,500</u>	<u>\$13,500</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$53,362)	(\$13,500)	(\$13,500)	(\$13,500)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. Medicaid Program Integrity - It is anticipated that the Program Integrity Unit will see an increase in the number of returned Explanation of Benefits (EOBs) each month on recipient referrals for possible fraud. The program will continue to follow-up with these referrals in accordance with current practices. It is, however, not possible to determine the increase in recipient referrals and consequently, additional investigations needed.
2. The department does not consider the Explanation of Benefits (EOBs) as informational. EOB's fall under the protected health information under Health Insurance Portability & Accountability Act (HIPAA). The department only allows access to protected health for employees, who need the information to perform their job. This access protects the client's information.

Sponsor's Initials

Date

Budget Director's Initials

Date