

## Fiscal Note 2025 Biennium

Bill information:								
HB0649 - Implement rates from provider rate study (Caferro, Mary )								
Status:	As Amended in House Committee							
☐Significant Local Gov Impact		Needs to be included in HB 2	⊠Technical Concerns					
☐ Included in the Executive Budget		☐ Significant Long-Term Impacts	☐Dedicated Revenue Form Attached					

FISCAL SUMMARY					
	FY 2024	FY 2025	FY 2026	FY 2027	
	<b>Difference</b>	<b>Difference</b>	Difference	Difference	
Expenditures:					
General Fund	\$0	\$5,000,000	\$0	\$0	
State Special Revenue	\$0	\$0	\$0	\$0	
Federal Special Revenue	\$0	\$9,301,615	\$0	\$0	
Revenue:					
General Fund	\$0	\$0	\$0	\$0	
State Special Revenue	\$0	\$0	\$0	\$0	
Federal Special Revenue	\$0	\$9,301,615	\$0	\$0	
Net Impact-General Fund Balance:	\$0	(\$5,000,000)	\$0	\$0	

<u>Description of fiscal impact:</u> HB 649 as amended appropriates \$5 million from the general fund and \$9,301,615 federal special revenue in FY 2025 to increase reimbursement rates for Medicaid and non-Medicaid providers and services included in the Guidehouse provider rate studies.

## FISCAL ANALYSIS

## **Assumptions:**

1. The Department of Public Health and Human Services will utilize the appropriated funds to implement provider rate increases using the same methodology proposed in the Governor's budget and contained in HB 2. To reduce existing disparities in rates, this methodology increases rates by a percentage of the difference between current and benchmark rates.

Fiscal Impact:	FY 2024 <u>Difference</u>	FY 2025 <u>Difference</u>	FY 2026 <u>Difference</u>	FY 2027 <u>Difference</u>						
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Expenditures:										
Benefits	\$0	\$14,301,615	\$0	\$0						
TOTAL Expenditures	\$0	\$14,301,615	\$0	\$0						
Funding of Expenditures:										
General Fund (01)	\$0	\$5,000,000	\$0	\$0						
State Special Revenue (02)	\$0	\$0	\$0	\$0						
Federal Special Revenue (03)	\$0	\$9,301,615	\$0	\$0						
TOTAL Funding of Exp.	\$0	\$14,301,615	\$0	\$0						
Revenues:										
General Fund (01)	\$0	\$0	\$0	\$0						
State Special Revenue (02)	\$0	\$0	\$0	\$0						
Federal Special Revenue (03)	\$0	\$9,301,615	\$0	\$0						
<b>TOTAL Revenues</b>	\$0	\$9,301,615	\$0	\$0						
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):										
General Fund (01)	\$0	(\$5,000,000)	\$0	\$0						
State Special Revenue (02)	\$0	\$0	\$0	\$0						
Federal Special Revenue (03)	\$0	\$0	\$0	\$0						

## **Technical Notes:**

- 1. HB 2 (as passed by the House) contains \$41,492,926 in general fund and \$81,838,653 in federal funds for Medicaid provider rate increases for providers and services included in the Guidehouse studies for FY 2025. For Medicaid providers to be at 100% of the Guidehouse benchmark rates in FY 2025 the department estimates the need for an additional \$7,322,281 in general fund and \$14,442,115 in federal funds from what is currently in HB 2.
- 2. For non-Medicaid providers to be at 100% of the Guidehouse benchmark rates in FY 2025 the department estimates the need for an additional \$190,324 in general fund and \$107,486 in federal funds from what is currently in HB 2.
- 3. To receive federal reimbursement of the additional Medicaid costs of the provider rate increases, the department will need to submit both Medicaid state plan amendments and waiver amendments to the Centers for Medicaid and Medicare (CMS) for approval.

Sponsor's Initials

Data

Budget Director's Initials

Date