

FISCAL NOTE

Requested by Legislative Council
02/07/2005

Amendment to: HB 1459

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$610,470)		(\$247,359)
Expenditures			\$845,470	(\$610,470)	(\$803,445)	(\$247,359)
Appropriations			\$745,470	(\$710,470)		

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would provide for the managed care development fund and the development of a system for managing the health care needs of medical assistance patients.

The expenditures would include the operating costs to contract for the managed health care system which would be offset by the savings that should result in the medicaid grants line item.

Additionally section 4 of the bill provides for an appropriation of \$1,000,000 general funds for establishing a managed care development fund for managing the health care needs of medical assistance patients as negotiated with service providers, health care cooperatives, or health care consortia.

The appropriation affected would be the agency's appropriation.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenue includes Title XIX funds at a 50% match rate for the contracted costs offset by the Title XIX that would not be drawn as a result in savings on the grants after implementing such a program.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures are comprised of the contracted costs of operating an integrated system for the management of health care needs of medical assistance patients in the 2005 - 2007 biennium of \$765,000 total funds - \$382,500 from the general fund. These expenditures are offset by the projected savings that should result in the medicaid grant expenditures estimated to be \$1,530,000 total funds - \$537,030 from the general fund. It is believed that it will be six months before the program is fully implemented. Prior to adding the \$1 million appropriation in section 4, the net savings amounts to \$765,000 total funds of which \$154,530 is from the general fund.

2005 - 2007 biennium estimates the program to be fully implemented for the full 24 month period while considering the cost of inflation and future FMAP.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

For the 2005 - 2007 biennim, the above costs are offset by \$200,000 total funds included in the agency's appropriation for disease management of which \$100,0000 is from the general fund.

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Agency: DHS
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