

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **SB 443** SLS 16RS 1041  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action: **w/ HSE COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 5, 2016	3:01 PM	<b>Author:</b> HEWITT
<b>Dept./Agy.:</b> DHH/DCFS		
<b>Subject:</b> Health and Social Services Estimating Conference requirem.		<b>Analyst:</b> Willis Brewer

FISCAL CONTROLS RE1 SEE FISC NOTE GF EX Page 1 of 1

Provides for mandatory meetings of the Health and Social Services Estimating Conference for purposes of developing budget recommendations for the Medicaid program (8/1/16).

Proposed law retains the duties of the Health and Social Services Estimating Conference provides for quarterly meetings and provides for a subcommittee that forecasts and reviews information related to the Medicaid program that shall include but not be limited to the number of Medicaid enrollees, the categories under which Medicaid eligibles enroll, the utilization of healthcare services within the Medicaid program and growth in cost of services, provider reimbursement methodologies, and other factors considered developing a per-member-per-month (PMPM) premiums paid to managed care companies.

Proposed law provides that the subcommittee shall meet at least four times for the ensuing fiscal year. The first meeting in September establishes an initial forecast for the ensuing fiscal year, the meeting in December revises the forecast to be utilized for the Executive Budget Recommendation, the meeting in April revises the forecast for the adoption of a state budget, and the meeting in July compares the current fiscal year forecast to the current year appropriation. The subcommittee submits a report to the committee summarizing all topics discussed at each meeting.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

This measure will require at a minimum four meetings for a newly established subcommittee under the Health and Social Services Estimating Conference (the conference is in current law) to be conducted each fiscal year to be used for the development of the Medicaid budget. Mandating the subcommittee and Conference to meet four times each fiscal year is anticipated to have a nominal fiscal impact on the Legislature for per diem costs.

This measure adds eight principals to the conference (for a total of 14 principals), but also provides that only six of these principals are members of the subcommittee. The subcommittee includes professional staff from DOA, DHH, the LFO or his designee, Senate President appointee, House Speaker appointee, and a healthcare economics faculty member selected by committee. The current legislative per diem is \$157 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$12 for a daily cost of approximately \$169. To the extent an agency enters into a contract to assist with the forecast, there will be additional but indeterminate expenses incurred by the agency.

This measure requires the Health and Social Services Estimating Conference to meet at a minimum four times a year (quarterly) to receive information from the Medicaid subcommittee. This measure adds four legislators to the conference which includes the Chairman of the Senate Committee on Health and Welfare, Chairman of the House Committee on Health and Welfare, Chairman of the Senate Committee on Finance, and Chairman of the House Committee on Appropriations, or their designee. The per diem cost (\$169 per diem x 4 legislators x 4 meetings = \$2,704) is assumed to be absorbed within the existing legislative budget.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S&amp;H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S&amp;H}</p> | <p><u>Dual Referral Rules</u></p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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