

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6769

BILL NUMBER: SB 133

DATE PREPARED: Feb 14, 1999

BILL AMENDED: Feb 11, 1999

SUBJECT: Medicaid Emergency Room Reimbursement

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: **GENERAL**
DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill extends for two years a statute requiring that, under the Medicaid Primary Care Case Management (PCCM) program, physician services provided to a program enrollee in a hospital emergency department must be at a rate of 100% of rates payable under the Medicaid fee structure, if the service is authorized by the enrollee's primary medical provider.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) A preliminary estimate of the additional state expenditures from changing the expiration date in IC 12-15-15-2.5 is about \$1.5 million (about \$3.72 million total for state and federal) annually.

The additional expenditures, above, may be offset to the extent that: (1) emergency room physicians are able to and do seek prior authorization from the patient's primary medical provider before conducting the medical screening examination; or (2) Medicaid recipients can be induced to go to their primary medical provider for routine medical services rather than to a hospital emergency room.

Explanation of State Revenues: See Explanation of State Expenditures, above, regarding federal revenues in the Medicaid program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources: Office of Medicaid Policy and Planning.