

by approximately \$98.8 million all funds (\$39.5 million state share) in FY 2012 and annually thereafter. The federal government reimburses the state approximately 60% of the cost for medical transportation services.

- The bill creates the Ohio Medicaid Transportation Provider Advisory Council. It requires the Council to examine the Medicaid program's reimbursement rates for medical transportation services and make recommendations for adjusting rates to the Director of Job and Family Services each biennium. This provision would result in minimal costs for ODJFS associated with providing resources and facility space for meetings.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties, Municipalities and Townships			
Revenues	- 0 -	Potential gain	Potential gain
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Some local governments provide medical transportation services. Any increase in Medicaid reimbursement rates could result in additional revenue for those local governments that bill Medicaid.

Detailed Fiscal Analysis

Medicaid reimbursement rates

Fiscal years 2009, 2010, and 2011

The bill requires the Medicaid program to increase its reimbursement rate for medical transportation services not later than 90 days after the bill's effective date. It also requires the rules governing the Medicaid program to include a mechanism by which the Medicaid program's reimbursement rate for medical transportation services is adjusted each fiscal biennium.

Fiscal impact – The bill does not set a specific rate or percentage increase for reimbursement rates for medical transportation services after the 90 days. The bill also does not mandate that the reimbursement rate increase by a particular amount or percentage each biennium, only that there is a formal mechanism to adjust the rate. The Director of Job and Family Services will have discretion when setting the rates in fiscal years (FYs) 2009, 2010, and 2011. Any adjustments in the reimbursement rate due to the bill would affect Medicaid costs. In addition, some local governments provide medical transportation services. Any change in reimbursement rates could affect reimbursement for those local governments that bill Medicaid.

Beginning in fiscal year 2012

The bill requires, beginning not later than July 1, 2011 (FY 2012), that the Medicaid reimbursement rate for each medical transportation service that is also covered by the Medicare program be set at an amount equal to at least 80% of the Medicare reimbursement rate for the service and that the reimbursement rate for each medical transportation service that is not also covered by the Medicare program be set at an amount equal to at least the average of the Medicaid reimbursement rates for medical transportation services that are also covered by the Medicare program.

Fiscal impact – This provision would increase Medicaid reimbursement for medical transportation services by approximately \$98.8 million all funds (\$39.5 million state share) in FY 2012 and annually thereafter. The federal government reimburses the state approximately 60% of the cost for medical transportation services. Medicaid currently reimburses ambulance services at approximately 32% of Medicare. Medicare does not reimburse for ambulette services. In each of the last three state fiscal years, Medicaid paid approximately \$65 million all funds (\$26 million state share) for medical transportation services. Increasing the reimbursement for ambulance services from approximately 32% of Medicare to 80% of Medicare and increasing reimbursement for ambulette services by the same percentage would increase annual transportation payments to \$163.8 million all funds (\$65.5 million state share) in FY 2012, an increase of approximately 152%.

Respond but not transport

The bill requires the Medicaid program to cover the respond but not transport service as part of medical transportation services.

Fiscal impact – The bill does not specify a particular reimbursement rate for respond but not transport services. The Director of Job and Family Services would set a reimbursement rate for this service. Since medical transportation providers are currently not reimbursed for respond but not transport services, reimbursing this service will result in additional Medicaid costs. The amount of this additional cost will depend on the reimbursement rate and the numbers of respond but not transport services provided.

Some local governments provide medical transportation services. Any increase in Medicaid reimbursement rates could result in additional revenue for those local governments that bill Medicaid.

Ohio Medicaid Transportation Provider Advisory Council

The bill creates the Ohio Medicaid Transportation Provider Advisory Council and requires the Council to examine whether the Medicaid program's reimbursement rate for medical transportation services is sufficient to ensure that Medicaid recipients have access to safe and efficient medical transportation services. The bill requires the Council to provide the Director of Job and Family Services with recommendations regarding the Medicaid program's reimbursement rate for medical transportation services. All members of the Council are to serve without compensation or reimbursement, except as serving on the Council is considered part of their usual duties. The bill also requires ODJFS to provide the Council with accommodations to hold its meetings and other administrative assistance needed to perform its duties.

Fiscal impact – There would be minimal costs for ODJFS associated with providing resources and facility space for meetings.

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