



Ohio Legislative Service Commission

Ivy Chen

Fiscal Note & Local Impact Statement

Bill: S.B. 248 of the 131st G.A.

Date: April 19, 2016

Status: As Introduced

Sponsor: Sens. Patton and Manning

Local Impact Statement Procedure Required: No

Contents: Increase the Medicaid payment rates for certain medical transportation services

State Fiscal Highlights

- The bill requires the Medicaid payment rates for certain medical transportation services to be at least 40% higher than the payment rates for those services that were in effect on June 30, 2015. It is estimated that this requirement would result in an annual increase of \$71.2 million (approximately \$27 million state share) in Medicaid Program expenditures.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill requires the Medicaid payment rates for certain medical transportation services to be at least 40% higher than the payment rates for those services that were in effect on June 30, 2015. The medical transportation services covered by the bill's payment rate increase are (1) advanced life support services, (2) ambulette services, (3) basic life support services, and (4) emergency services.

The bill will result in an increase in Medicaid Program expenditures. For FY 2015, total expenditures for medical transportation services were \$177.9 million (of which \$32.5 million was fee-for-service and an estimated \$145.4 million was managed care). Therefore, a 40% rate increase would cost the Medicaid Program an additional \$71.2 million (approximately \$27 million state share) annually.¹ Most Medicaid

¹ The federal government shares in the states' cost of Medicaid at a matching rate known as the Federal Medical Assistance Percentage (FMAP). The FMAP is calculated for each state based upon the state's per capita income for the last three years relative to the entire nation. The FMAP for Ohio for federal fiscal year 2016 is 62.47%.

payments for services are made from GRF line item 651525, Medicaid/Health Care Services, in the Department of Medicaid's budget. However, other non-GRF and federally funded line items are also used for Medicaid expenditures.

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