

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2019 REGULAR SESSION**

**MEASURE**

2019 BR NUMBER 0852

HOUSE BILL NUMBER 224GA

**TITLE** AN ACT relating to durable medical equipment covered benefits and reimbursement under Medicaid.

**SPONSOR** Representative Kimberly Poore Moser

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department for Medicaid Services

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

FISCAL ESTIMATES	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	Indeterminable

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The purpose of the measure is to require that suppliers of durable medical equipment (DME) be paid at no less than 100 percent of the Kentucky Medicaid durable medical equipment fee schedule and to make other provisions regarding Medicaid reimbursement for suppliers of durable medical equipment.

**FISCAL EXPLANATION:** Subsection (2) of House Bill 224 requires that suppliers of DME be paid at no less than 100 percent of the Kentucky Medicaid DME fee. The Department for Medicaid Services (DMS) within the Cabinet for Health and Family Services estimates that the provisions of subsection (2) of the legislation will result in increased Medicaid expenditures of \$30.2 million based on the State Fiscal Year 2018 Medicaid DME reimbursement rates. Federal Medicaid match rates vary by the Medicaid eligibility group. Applying a blended match rate of 80 percent federal funding and 20 percent state funding, \$24.16 million of the estimated increase would be accounted for by Federal Funds and \$6.04 million would be accounted for by General Fund.

Subsection (5) of the legislation establishes a reimbursement methodology for manually priced items in the Kentucky Medicaid DME fee schedule. DMS estimates that the provisions of subsection (5) will increase Medicaid expenditures; however, the fiscal impact cannot be determined.

**DATA SOURCE(S):** Cabinet for Health and Family Services

**PREPARER:** Miriam Fordham **NOTE NUMBER:** 123 **REVIEW:** JAB **DATE:** 2/28/2019

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