



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0473.01: Allow for automatic CMS medicare fee schedule updates**

Primary Sponsor: Jane Gillette

Status: As Introduced

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
Revenues				
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 473 allows Medicare fee schedules issued by the Centers for Medicare and Medicaid Service (CMS) to be adopted by rule by the Department of Public Health and Human Services (DPHHS) and provide for automatic incorporation of updated Medicare fee schedules. This bill allows DPHHS to implement Medicare rates timely, resulting in a decrease of claim adjustments due to the time frame for implementation.

FISCAL ANALYSIS

Assumptions

Department of Public Health and Human Services (DPHHS)

1. Delayed adoption of Medicare fee schedule rate changes required DPHHS to mass adjust 109,732 claims in calendar year 2024. Of those claims, 109,596 posted edits necessitating manual intervention by contracted fiscal agent staff. Many of the edits were previously worked on the originally processed claims, thus the mass adjustment effectively doubled the work involved in processing the claims.
2. It is assumed that by automatically implementing Medicare fee schedule updates, the contracted fiscal staff will be able to focus on other claims, which could lead to faster claim processing and payment for providers and will also reduce the volume of claim appeals and provider inquiries related to outdated rates which will allow staff to spend time on other activities. While this will be an efficiency gain in use of fiscal agent staff time and will improve overall customer service, the extra time will be spend on other duties. DPHHS assumes an overall zero net impact to the fiscal agent contract.
3. There will be no fiscal impact for DPHHS.

Department of Labor and Industry (DLI)

4. HB 473 does not apply to the automatic updating of DLI's rules relating to commercial drug formularies and will have no fiscal impact for DLI.

Secretary of State's Office (SOS)

5. HB 473 may have a minimal fiscal impact related to the filing fees collected for publication which will be absorbed by the SOS.

Fiscal Analysis Table

Department of Public Health and Human Services

	FY 2026 Difference	FY 2027 Difference	FY 2028 Difference	FY 2029 Difference
<u>Fiscal Impact</u>				
<u>Expenditures</u>				
<u>Funding of Expenditures</u>				
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
	\$0	\$0	\$0	\$0


 Sponsor's Initials _____ Date 2/19/25


 Budget Director's Initials _____ Date 2/19/2025