

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	HB2824
Version:	Introduced
Author:	Representative Auffett
Date:	2/9/2010
Impact:	Increased Medicaid Resources:
	State Fee Revenue: approx. \$222.3 Million
	Federal Match: approx. \$402.7 Million

Bill Summary

Research Analyst: Marcia Goff

The measure directs the Oklahoma Health Care Authority (OHCA) to assess a monthly Hospital Quality and Access Fee on each hospital in the state for the purpose of increasing certain Medicaid reimbursement levels. The bill also establishes the Oklahoma Hospital Medicaid Reform Advisory Committee to advise the OHCA on issues of hospital funding and reforms in the Medicaid program.

Fiscal Summary

Fiscal Analyst: John McPhetridge

HB 2824 as introduced, creates the Oklahoma Hospital Quality and Access Act. The act provides that the Oklahoma Health Care Authority assess and collect a Hospital Quality and Access Fee on hospitals, 0.875% of gross hospital patient revenues. The fees collected shall be deposited in a fund created by the Act and used to leverage federal matching funds. Such fees and federal matching funds are to be the basis for increasing certain provider rates, listed in the Act. The Act also provides that in the event such funds do not qualify for the federal match that the Hospital Quality and Access Fee shall be null and void.

Fiscal Analysis

OHCA estimates that the annual gross receipts base for affected providers is approximately \$25.4 Billion; therefore a 0.875% fee would generate revenue of approximately \$222.3 Million which is designed to leverage approximately \$402.7 Million in federal matching funds. If approved and implemented as intended, approximately \$625 Million in additional annual resources would be available to increase certain Medicaid provider rates.

This measure includes no direct appropriation, anticipation of increased appropriation, or dedicated revenue from existing state resources. Assuming that the cost of provider rate increases does not exceed the combined fee revenue and applicable federal match there should be no negative fiscal impact to the State's Medicaid Program.

Long Term Fiscal Considerations

If passed by the Oklahoma Legislature, the provisions of this act would need to be approved by the Centers for Medicare and Medicaid Services (CMS) prior to being fully implemented.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director