BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	**HB1091**
Version:	**FA1**
Request Number:	**7865**
Author:	**Bush**
Date:	**3/03/2021**
Impact:	**Unknown**

Research Analysis

FA1 to HB 1091 modifies the effective date to be September 1, 2021.

Prepared By: Dan Brooks

Fiscal Analysis

Per OHCA, there will be fiscal impact to FA1 but unknown at this time.

Prepared By: Stacy Johnson

Other Considerations

From OHCA:

Section 4 goes a step beyond:
(1) obligating OHCA to calculate payment rates the same way in ALL subsequent years. Programs evolve and payment methodologies change. A rigid statute like this limits the effectiveness of a program and our ability to be innovative with reimbursement as well as control costs.
(2) is not sustainable. This cost is passed through to the state. We cannot require plans to cover the annual cost of the increase in CPI without additional funds, that is not actuarial sound and CMS would not allow. This also changes any reimbursement methodology that is tied to Medicare rates which contradicts (1) that states OHCA shall determine rates in the same manner as determined for the year 2021. For the cost increase, we do not increase provider rates annually because we do not have the state funds to do so, if that were required it would be an obligation on future legislatures. For example, a medical CPI of 3% would create a state obligation of a minimum $25 million annually. It would make it difficult for us to manage revenue failures since 96% of our spend is in provider payments and we would not be able to reduce. In a year of decreasing FMAP and state revenue struggles it would likely result in a reduction in appropriations for other state agencies to fund provider rate increase. This language would create significant program growth annually and an inability to control costs.