

FISCAL NOTE

HB 3475

March 4, 2008

SUMMARY OF BILL: Limits the ability to negotiate medical fees that are lower than the workers' compensation comprehensive medical fee schedule.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – Exceeds \$155,000/
Risk Management Fund**

**Other Fiscal Impact –
Forgo savings which exceed \$179,000 to the Risk
Management Fund
Forgo savings to local governments which exceed
\$1,000,000**

Assumptions:

- In calendar year 2006, the state realized a savings of \$1,279,650 below fee schedule. The state paid \$1,100,155 in fees to get those savings and to get all bills re-priced.
- Under the provisions of this bill, the state could not use a vendor for such services. The state will not realize the \$1,279,650 in savings but would also not pay the \$1,100,155 in fees. As a result the state will forgo savings of approximately \$179,495.
- The state will still have to contract with a vendor to re-price all bills to the fee schedule. According to the Treasury Department, the cost of the contact will exceed \$155,000.
- Local governments will forgo fee schedule savings in an amount exceeding \$1,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/cce