

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1837 - SB 1823

February 6, 2018

SUMMARY OF BILL: Extends, from June 30, 2018, to June 30, 2019, the *Ground Ambulance Service Provider Assessment Act*.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$10,304,700/FY18-19/
Ambulance Service Assessment Revenue Fund**

**Increase State Expenditures - \$10,304,700/FY18-19/
Ambulance Service Assessment Revenue Fund**

**Increase Federal Expenditures - \$19,877,200/FY18-19/
Ambulance Service Assessment Revenue Fund**

Revenue recognition in the amount of \$10,304,700 is included in the Governor's proposed FY18-19 budget (page A-36). Corresponding non-recurring appropriations in the amount of \$30,147,100 (\$10,304,700 in state funds and \$19,842,400 in federal matching funds) are also included.

Assumptions:

- Based on information provided by the Division of TennCare (Division), the coverage assessment on ambulance services will result in one-time revenue to the Ambulance Service Assessment Revenue Fund (ASARF) of \$10,304,700 for FY18-19.
- According to the Division, the \$10,304,700 will be expended at a state rate of approximately 34.142 percent; thus prompting a one-time increase in federal expenditures at a federal match rate of approximately 65.858% equating to \$19,877,187 [$\$10,304,700 / 34.142\% \times 65.858\%$] for FY18-19.

IMPACT TO COMMERCE:

Increase Business Revenue - \$30,181,900

Increase Business Expenditures - \$10,304,700

Jobs Impact – Not Significant

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Assumptions:

- Ambulance providers will incur a one-time increase in federal revenue to cover costs of ground ambulance transport occurring in FY18-19.
- Ambulance service providers will incur a one-time increase in expenditures in FY18-19 for funding the state portion of the Act.
- The proposed legislation will not increase the number of ambulance service providers. It just changes the way the providers are reimbursed for Medicaid ground ambulance transports: therefore, any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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