



March 18, 2020

SUMMARY OF ORIGINAL BILL: Authorizes the Division of TennCare (Division) to electronically submit a report on the use of technical assistance groups of healthcare providers in developing episodes of care to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (017194): Deletes all language after the enacting clause. Requires the Division of TennCare (Division), upon the Act becoming law through June 30, 2021, to reimburse ambulance service providers for covered services provided to TennCare recipients at a rate not less than the federal Medicare program's allowable charge for participating providers. Requires any increased reimbursement expenditures resulting from the rate change to be paid from the Division's reserve funds. Declares nothing in this section affects the *Ground Ambulance Assessment Act*.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – \$17,218,500/FY20-21/TennCare Reserve Fund

Increase Federal Expenditures – \$33,243,100/FY20-21/TennCare Reserve Fund

Other Fiscal Impact – The proposed legislation requires any increase in expenditures to be paid from the TennCare Reserve Fund. As of June 30, 2019, the TennCare Reserve Fund balance was \$390,400,000.

Assumptions for the bill as amended:

- The proposed legislation defines “ambulance service provider” as a public or private ground-based ambulatory service that bills for transports and has a base of operations in this state.
- Based on information provided by the Division, the impact of paying all providers at the Medicare rate is estimated to be \$50,461,551.
- Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds.
- The total recurring increase in state expenditures is estimated to be \$17,218,490 (\$50,461,551 x 34.122%) in FY20-21.
- The total recurring increase in federal expenditures is estimated to be \$33,243,061 (\$50,461,551 x 65.878%) in FY20-21.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Increase Business Revenue – \$50,461,600/FY20-21

Jobs Impact – Not Significant

Assumptions for the bill as amended:

- Ambulance service providers will experience a recurring increase in business revenue of \$50,461,551 in FY20-21.
- The proposed legislation will not result in a significant increase in services; therefore, any jobs impact or impact on business expenditures is estimated to be not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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