

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

**BILL NUMBER:** Senate Bill 588

**SHORT TITLE:** Nursing, Rest Homes/ EMS Services

**SPONSOR(S):** Senator Simpson

**FISCAL IMPACT:**   **Expenditures:**    **Increase (x)**       **Decrease ( )**  
                           **Revenues:**            **Increase ( )**       **Decrease ( )**  
                           **No Impact ( )**  
                           **No Estimate Available ( )**

**FUND AFFECTED:**   **General Fund (x)**   **Highway Fund ( )**   **Local Govt. ( )**  
                           **Other Funds ( )**

**BILL SUMMARY:** Adds new General Statute directing the Department of Human Resources to ensure that nursing homes and domiciliary care facilities, placing non-emergency calls for medical services be charged and pay for resulting ambulance fees.

**EFFECTIVE DATE:** October 1, 1993

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** DHR/ Division of Facility Services

**FISCAL IMPACT**

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	
	<u>FY</u>				
	93-94	94-95	95-96	96-97	97-98
<b>REVENUES:</b>					
<b>GENERAL FUND</b>					
<b>HIGHWAY FUND</b>					
<b>HIGHWAY TRUST FUND</b>					
<b>LOCAL</b>					
<b>EXPENDITURES</b>	66,878	72,853	76,495	80,320	84,336
<b>POSITIONS:</b>	2	2	2	2	2

**ASSUMPTIONS AND METHODOLOGY:** The data provided here is a very conservative estimate based on response from one county. Time constraints did not make a much more detailed analysis possible. Estimates will vary from county to county depending on the number of facilities located within a county. In order to determine the total impact on other counties an extensive analysis is needed.

Rowan County

1. Total calls-FY 1992

830,088

% calls from nursing/domiciliary homes:12%	99,611
2. % of nursing/domiciliary home/non emergency calls: 64%	63,751
% of non-emergency calls not reimbursed: 42%	26,775
3. Average base charge	100.00
4. Total cost to nursing/domiciliary home	\$2,677,500

The Department estimates that due to the requirements of the legislation that existing staff can not handle the required workload. Additional staff would be needed. The expenditure figures shown above are for two staff positions, and include fringe benefits and support costs. The staff would be required to establish a system in conjunction with local ambulance service providers and counties to monitor and assure that non-emergency medical calls are payed by nursing/domiciliary homes.

**SOURCES OF DATA:** DHR/ Division of Facility Services

**TECHNICAL CONSIDERATIONS:** The \$2,677,500 that has been identified as the total cost to nursing/domiciliary homes could potentially be state cost in the form of additional Medicaid or State/County Special Assistance(rest home payment)expenditures.

**FISCAL RESEARCH DIVISION**  
**733-4910**

**PREPARED BY:** Manny Marbet

**APPROVED BY:** TOMC

**DATE:** May 5, 1993

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** Senate Bill 588, as amended

**SHORT TITLE:** Nursing Homes/EMS Services

**SPONSOR(S):** Senator Simpson

<b>FISCAL IMPACT:</b>	<b>Expenditures:</b>	<b>Increase (x)</b>	<b>Decrease ( )</b>
	<b>Revenues:</b>	<b>Increase ( )</b>	<b>Decrease ( )</b>
	<b>No Impact ( )</b>		
	<b>No Estimate Available ( )</b>		

**FUND AFFECTED:**    **General Fund (x)    Highway Fund ( )    Local Govt. ( )**  
    **Other Funds ( )**

**BILL SUMMARY:** This bill would add a new General Statute directing the Department of Human Resources to ensure that nursing homes who request emergency medical transportation services, that results in a non-emergency call, and is not paid, be charged and pay for resulting ambulance fees.

**EFFECTIVE DATE:** October 1, 1993

**PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:** DHR/ Division of Facility Services/ Division of Medical Assistance-Medicaid Program

**FISCAL IMPACT**

	<u>FY</u> <u>FY</u> 93-94	<u>FY</u> 94-95	<u>FY</u> 95-96	<u>FY</u> 96-97	97-98
<b>REVENUES:</b>					
<b>GENERAL FUND</b>					
<b>HIGHWAY FUND</b>					
<b>HIGHWAY TRUST FUND</b>					
<b>LOCAL</b>					
<b>EXPENDITURES</b>	\$66,878	\$72,853	\$76,495	\$80,320	
\$84,336					
<b>POSITIONS:</b>	2	2	2	2	2

**ASSUMPTIONS AND METHODOLOGY:** In analyzing the fiscal impact of SB 588, as amended (the sponsor has proposed to amend the bill to delete the reference to Domiciliary Care facilities), it was necessary to determine how many ambulance emergency calls from nursing homes were denied payment due to a determination that the call was of a non-emergency nature. The only source readily available was data compiled by the Division of Medical Assistance (Medicaid) for ambulance claims filed by nursing home patients for payment. There is no statewide data for ambulance claims filed by non-Medicaid nursing home patients. However, a large percentage (approximately 75%) of nursing home patients are Medicaid eligible. An analysis of the Medicaid data showed that, on a monthly basis, 67% of all ambulance claims denied were denied as a result of non-Medicaid eligible calls, including calls determined to be of a non-emergency nature; of the 421 ambulance claims reviewed by the Division, 283 were considered as **not** meeting Medicaid eligibility standards.

Though the sponsor of the bill has proposed to amend the original bill, the bill will still require the expenditure of state funds to implement. State funds will be needed to hire additional staff to work with all existing county/local private ambulance service providers and Emergency Medical Service (EMS) personnel, as well as local county commissions in order to establish procedures to train EMS personnel in collecting transportation related debts and other necessary activities. Also, this same staff will need to establish state procedures for

collecting bad debt when all local recourse is exhausted. At least one nursing home/EMS consultant and a support staff position will be needed to implement SB 588.

**SOURCES OF DATA:** DHR/ Division of Facility Services and The Division of Medical Assistance

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION**

**733-4910**

**PREPARED BY:** Manny Marbet

**APPROVED BY:** Tom Covington **TomC**

**DATE:** July 6, 1993



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