

Department of Planning and Budget
2025 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB 1451

Patron: Srinivasan

Bill Title:

Bill Summary: The proposed legislation directs the Department of Medical Assistance Services to seek federal authority to provide supplemental payments to Medicaid members to be used for transportation to medical appointments when other transportation options are not available.

Budget Amendment Necessary: Yes

Items Impacted: 288

Explanation: See Fiscal Analysis below.

Fiscal Summary: The bill is expected to have significant fiscal implications for both administrative and medical assistance services. However, such costs are indeterminate at this time.

Fiscal Analysis: Operationalizing the provision of this bill would present significant administrative complexities for both DMAS and managed care organizations (MCOs). DMAS reports that implementing the required supplemental payments would necessitate the establishment of clear criteria for eligibility, the development appropriate payment amounts, and the determination of how payments would be made to members. In addition, a robust system for monitoring and tracking all supplemental payments would be required to ensure proper usage and prevent fraud. It is expected that the agency would need to make a significant administrative investment to implement this bill. Funding would be needed to utilize contractors, hire additional positions, and enhance agency systems to meet the beforementioned requirements. DMAS is still working on an estimate of these costs.

While expected to be significant, the service costs associated with this bill are still being developed by DMAS. Accurately estimating the cost of this program is challenging as assumptions are needed as to the number of supplemental payments and a methodology for payment amounts. It is assumed that the total Medicaid membership (approximately 2.0 million as of January 1, 2025) would be eligible for payment when appointment options are not available. However, DMAS has no data to suggest how many of that number would seek supplemental payments when transportation options are not available. Moreover, it is unclear what constitutes a transportation option being unavailable. Similarly, DMAS has not determined an appropriate methodology for determining the amount of a supplemental payment. It is unclear if such payment should be modeled on current non-emergency transportation rates or individual mileage. Necessary data, such as number of trips and miles traveled, is not readily available. While DMAS is working to generate the data necessary to formulate a fiscal impact, any such impact is expected to be significant.

Other: For illustration purposes, a general order of magnitude can be generated to inform discussion. However, this estimate should not be used as the fiscal impact for the proposal at this time. Using a 2018 study on how far Americans live from hospitals, and the IRS 2025 standard business mileage rate (\$0.70), it can be estimated that each supplemental payment could average \$15. Assuming 20 percent of the eligible population went to a health care provider four times a year, the annual cost would be approximately \$23.5

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million. Again, these estimates are provided to demonstrate the magnitude of cost. This statement will be updated should additional data become available.