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LB 1063

Revision: 01

Revised based on amendments adopted through 3-20-12

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill establishes the Children's Health and Treatment Act. The bill defines medically necessary to mean services necessary to correct or ameliorate defects or physical or mental illnesses or conditions. The amendment requires the department to provide early and periodic screening, diagnostic, and treatment services to all children under nineteen years of age who are eligible for coverage under the medical assistance program. The amendment requires, for children under nineteen years of age, the department to provide, or arrange for, the provision of necessary health care diagnostic and treatment screening and other measures as described in 42 U.S.C. 1396d(a) that existed on January 1, 2012 to correct or ameliorate defects or physical or mental illnesses or conditions discovered by the screening process regardless of whether such health care diagnostic and treatment screening and other measures described are covered services under the Medicaid state plan. All such services and other measures shall be provided or authorized when they are determined to be medically necessary. A medical necessity determination shall be determined on an individualized, case-by-case basis for each child. The Children's Health and Treatment Act does not limit the authority of the department or department contractor to (1) to limit coverage of treatments or services that are unsafe, experimental, or not generally accepted as treatment within the medical community, (2) use utilization controls or prior authorization for services, or (3) perform utilization reviews. The Committee Amendment provides that the department may not arbitrarily deny or reduce the amount, duration, or scope of a required service to an otherwise eligible recipient solely because of the diagnosis, type of illness, or condition. The department shall adopt and promulgate rules and regulations to carry out the Children's Health and Treatment Act. On or after January 1, 2013, the department shall not apply clinical criteria or guidelines, medical necessity criteria, or other similar criteria to determine medical necessity for children under nineteen years of age until adopted and promulgated pursuant to the Administrative Procedures Act. The department is required to report on utilization controls to the Legislature on a quarterly basis beginning on October 1, 2012.

The requirements for adoption of rules and regulations under the Administrative Procedures Act and the reports to the Legislature do not have a fiscal impact. The other provisions of the bill are unclear as to the fiscal impact. The impact cannot be determined at this time.