

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2019 REGULAR SESSION**

**MEASURE**

2019 BR NUMBER 0355

SENATE BILL NUMBER 39

**TITLE** AN ACT relating to disclosure of Medicaid managed care organizations' payment schedules to the Medicaid Oversight and Advisory Committee.

**SPONSOR** Senator Stephen Meredith

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Medicaid Services

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

<b>FISCAL ESTIMATES</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>			
<b>EXPENDITURES</b>		Indeterminable	Indeterminable
<b>NET EFFECT</b>		(Indeterminable)	(Indeterminable)

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The purpose of this measure is to require Medicaid Managed Care Organizations (MCO) to provide all payment schedules used to reimburse health care providers with whom they have maintained a contractual relationship for the previous three months to the Medicaid Oversight and Advisory Committee on a quarterly basis for the committee's review.

**FISCAL EXPLANATION:** The Cabinet for Health and Family Services estimates that SB 39 may result in increased Medicaid costs. The provisions of the legislation could impact the Department for Medicaid Services' ability to conduct rate negotiations if all fee schedules are published. The legislation could also diminish competition between the MCOs and result in a shift of MCO rates to fee-for-service rates and a decrease in the number of contracted MCOs below the recommended level of three.

**DATA SOURCE(S):** Cabinet for Health and Family Services, Department for Medicaid Services  
**PREPARER:** Kevin Newton **NOTE NUMBER:** 55 **REVIEW:** JAB **DATE:** 2/12/2019

LRC 2019-BR0305-SB39