



Updated May 14, 2009

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SF 224 (Sheran) / HF 374 (Thissen) and SF 723 (Lynch) / HF 1391 (Emmer);
Non-Emergency Medical Transportation Modifications

Local Fiscal Impact				
Net Expenditure Increase				
Dollars in Thousands, State Fiscal Years				
	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Statewide	\$3,698	\$3,784	\$3,870	\$3,959
* Estimates adjusted to include forecasted inflation rates				

Local Governments Contributing:

Counties:

Anoka, Carver, Dakota, Hennepin, Isanti, Scott, Sherburne, Washington, Wright

Explanation of the Bill

Senate File 224 / House File 374 and Senate File 723 / House File 1391 each pertain to nonemergency medical transportation provisions. The bills outline minimum reimbursement rates, how to determine qualification for the program, and create new law requiring a minimum of 30 days notice before terminating an individual’s transportation assistance.

The fiscal impact for local units of government of the above bills would be the transfer of administration and coordination costs for nonemergency medical transportation from the state to counties in the eleven county metro area. This language is contained in sec. 4, subd. 17b of SF 723 / HF 1391 and sec. 2, subd. 18b of SF 224. HF 374 does not contain a provision similar to those described above and was therefore excluded from this analysis. Non-metro counties are not affected by these provisions.¹

Local Impact Analysis Methodology

To estimate the local government impact of SF 224 and SF 723 / HF 1391, MMB surveyed the eleven metro area counties affected by the provision to obtain estimated expenses for internal administration and coordination of nonemergency medical transportation. MMB worked with the Minnesota Inter-County Association and the Department of Human Services to develop a contact list of county administrators.

Survey on SF 224 and SF 723 / HF 1391: “Non-Emergency Medical Transportation Modifications”²

This analysis estimates the costs to the eleven metro area counties that would result from the implementation of SF 224 and SF 723 / HF 1391. To get this information MMB surveyed the eleven

¹ This analysis makes the assumption that if a broker or coordinator is not used for purposes such as managing or dispatching transportation services and verifying recipient eligibility it would also not be used to make a level of transportation need assessment.

² Detailed survey responses are included in the appendix to this document.

metro area counties. A total of nine counties responded to a survey, which contained the following questions:

1. Please estimate the cost of administering and coordinating nonemergency medical transportation services for your county government for fiscal year 2010 (July 2009 – June 2010). This would include, but is not limited to, completing a “level of need determination” for each client at the time of medical assistance application and at each redetermination; disbursement of public transportation passes and tokens, as well as volunteer and recipient mileage and parking reimbursements.
2. What costs did your county incur in the most recent fiscal year (July 2007 – June 2008) for administering and coordinating nonemergency medical transportation?
3. Please estimate and explain any other costs you believe would result from the passage of this bill.

Local Impact Analysis of SF 224 and SF 723 / HF 1391:

Chisago and Ramsey counties were the only two counties that did not respond to the survey and Isanti County responded but did not provide any cost estimates. In order to determine the estimated fiscal impact the bills would have on these three counties, MMB used the data and assumptions provided by Hennepin County.³

From the provided data, estimated financial impact for Ramsey, Chisago, and Isanti counties were calculated and added to the total impact of the bills.

The table below shows the estimated expenses per the county survey responses and MMB analysis:

County	Estimated Costs of administering program in FY2010**
Anoka	\$300,000
Carver	\$18,200
Chisago*	\$45,000
Dakota	\$381,600
Hennepin	\$1,566,000
Isanti*	\$45,000
Ramsey*	\$882,000
Scott	\$289,000
Sherburne	\$103,117
Washington	\$37,000
Wright	\$31,000
Total	\$3,697,917

*Chisago, Ramsey and Isanti estimates are based on assumptions outlined in Hennepin County response.

**Shows total estimated costs for FY 2010 minus any costs incurred for administration and coordination of non-emergency coordination under current law. Three counties, Sherburne, Washington and Wright, indicated they currently incur some costs.

³ Hennepin county assumptions contained in the appendix to this document.

Statewide local cost estimate of SF 224 and SF 723 / HF 1391 for FY 2010 – FY 2013:

Local Fiscal Impact				
Net Expenditure Increase				
Dollars in Thousands, State Fiscal Years				
	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Statewide	\$3,698	\$3,784	\$3,870	\$3,959
* Estimates adjusted to include forecasted inflation rates.				

Other Considerations

In addition to the costs outlined in the above analysis, the majority of counties indicated possible additional expenses including research, design, and implementation of a local transportation infrastructure. One county estimated this cost to be \$50,000 to \$100,000 on top of the on-going expenses included above. Since these expenses were less certain and difficult to quantify, they were excluded from the impact shown above.

Appendix 1: Detailed Survey Responses

County	Estimated Costs of administering program in FY 2010	Estimated program costs incurred in FY 2008	Other Fiscal costs and concerns
Anoka	\$ 300,000	NA	Would need to research practice and procedures to implement. With already constrained resources, current staff will have to absorb the new responsibilities, increasing already full workloads.
Carver	\$ 18,200	Minimal	
Chisago*	\$ 45,000	NA	
Dakota	\$ 381,600	Minimal	
Hennepin	\$ 1,566,000	Minimal	Additional expenses include risk management, quality assurance, fraud prevention and supervision and management
Isanti*	\$ 45,000	-	Does not have money in their budget - did not estimate
Ramsey*	\$ 882,000	NA	
Scott	\$ 289,000	-	Another \$50,000 - \$100,000 would be necessary to research and implement procedures.
Sherburne	\$ 134,130	\$31,013	
Washington	\$ 117,000	\$80,000	In addition to estimated costs, considerable staff time would be needed to rebuild the non-emergency infrastructure. Social workers will pick up the work of coordinating rides instead of the central administration.
Wright	\$ 60,000	\$29,000	NA
Total	\$ 3,837,930	\$140,013	

*Chisago, Isanti, and Ramsey County estimates were based on assumptions submitted by Hennepin County. Chisago and Isanti County each have 1.2 – 1.3% of the Minnesota health care program case load, therefore 1.2% of their 40 FTE staff were dedicated to each of these Counties. That equals .5 FTE for each County multiplied by \$90,000 equals \$45,000. Ramsey County FTE was already calculated to be 9.8 FTE, therefore staff expenditures are estimated to be 9.8 times \$90,000 equals \$882,000.

Appendix 2:

Hennepin County Assumptions:

1. Minnesota Non-Emergency Transportation (MNET) currently has 40 staff members to do the "non-emergency medical transportation" functions for the 11 metropolitan counties.
2. The distribution of Minnesota "health care program" cases is as follows amongst the 11 metropolitan counties:
 - a. Anoka 9.3%
 - b. Carver 1.2%
 - c. Chisago 1.3%
 - d. Dakota 8.5%
 - e. Hennepin 43.5%
 - f. Isanti 1.2%
 - g. Ramsey 24.4%
 - h. Scott 2.1%
 - i. Sherburne 1.9%
 - j. Washington 3.7%
 - k. Wright 2.4%
3. Estimated number of full-time equivalents (FTEs) to conduct the "non-emergency medical" transportation functions for selected counties:
 - a. Hennepin County 17.4 FTEs
 - b. Ramsey County 9.8 FTEs
 - c. Anoka County 3.7 FTEs
 - d. Dakota County 3.4 FTEs
 - e. Washington County 1.5 FTEs
4. For Hennepin County purposes, the cost per FTE – which includes salary, benefits, overhead, supervision/management, and related professional support functions – \$90,000 per FTE.