

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB 1021

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Sickles, Mark D.

3. Committee: Health, Welfare and Institutions

4. Title: Medicaid nonemergency transportation providers; criminal history background check

5. Summary: The proposed legislation requires every provider with whom the Department of Medical Assistance Services enters into a contract for the provision of nonemergency transportation services to individuals eligible for medical assistance to conduct national fingerprint-based criminal history background checks for every applicant hired for employment at the time of hiring and annually thereafter and establishes crimes conviction of which shall constitute a barrier to employment.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: See Item 8.

8. Fiscal Implications: The bill, as drafted, has a technical issue that would limit background checks to employees of a Transportation Broker and the Health Plans (see Item 10). Therefore, the bill would have a minimal fiscal impact if implemented in its current form.

If the bill's intent is to extend background checks individual transportation drivers there would be some fiscal implications. The following analysis estimates the cost of the Commonwealth requiring fingerprint-based criminal background checks for all non-emergency transportation drivers currently serving the covered population as well as any future applicants. A representative of LogistiCare (the Commonwealth's provider of fee-for-service non-emergency transportation) estimates that there are currently 2,700 drivers with whom they contract. The Department of Medical Assistance Services (DMAS) estimates an additional 500 drivers in managed care plans for a total of 3,200 drivers. LogistiCare estimates the cost of a fingerprint-based screening to be \$50. DMAS also assumed a population distribution of 97% Medicaid patients and 3% FAMIS patients based on the percentage of members currently enrolled. This resulted in a presumed state/federal split of 48.9% general fund/51.1% non-general funds.

Based on this analysis, the first year cost of screening those currently providing service would be \$82,600 general fund and \$86,500 federal. It is possible that some drivers have already been fingerprinted as a criminal background check (though not a fingerprint based screening) is already a component of the hiring process. Depending on the number of drivers that have already had a fingerprint check, this cost could be lower.

The initial fiscal estimate did not account for the bill's on-going annual background check requirement on existing drivers. Therefore, the assumption that the costs would decrease in subsequent years is incorrect. Based on the estimates provided the U.S. Bureau of Labor Statistics for the growth rate in Emergency Medical Transporters and the Journal of Emergency Medical Services for the attrition rate, we used a growth assumption of 3.2% per year and an estimated 5.7% turnover rate. Therefore, the cost of providing the checks would grow from the initial year by approximately 2.5% annually. While the agency can absorb the a one-time cost associated with providing the initial background checks, a budget amendment would be necessary if the agency is required to continue annual checks on all drivers.

9. Specific Agency or Political Subdivisions Affected:

Department of Medical Assistance Services

10. Technical Amendment Necessary: Yes. As drafted, the bill states that “every provider with whom the Department enters into a contract...shall require every employee to submit to fingerprinting...” The Department does not itself contract with providers who perform transportation services. The Department contracts with a Transportation Broker and with Health Plans, who in turn contract with transportation providers. If not amended, the fiscal impact would be negligible, fingerprinting only employees of the Broker and the Health Plans.

11. Other Comments: None

Date: 1/20/16