

# Legislative Analysis

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## DCH MUST REPORT ON DIFFERENCE BETWEEN MEDICAID AND MEDICARE REIMBURSEMENTS

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### House Bill 5040

**Sponsor: Rep. Kevin Green**

**Committee: Family and Children Services**

**Complete to 10-18-05**

### A SUMMARY OF HOUSE BILL 5040 AS INTRODUCED 7-6-05

The bill would amend the Social Welfare Act to require the Department of Community Health, beginning September 30, 2006, to submit an annual report to the Legislature that specifies the differences in the preceding 12-month period between Medicare reimbursement rates and the Medicaid reimbursement rates for similar services. The report would be due each September 30<sup>th</sup>.

[NOTE: Medicaid is the joint federal and state program that helps with medical costs for some people with low incomes and limited resources. Medicaid is administered in Michigan by the Department of Community Health.

Medicare is the federal health insurance program for people 65 years of age or older, certain younger people with disabilities, and people with End-Stage Renal Disease (permanent kidney failure with dialysis or a transplant, sometimes called ESRD).]

MCL 400.109I

### FISCAL IMPACT:

HB 5040 could require additional expenditures by the Department of Community Health (DCH) depending on how exhaustive a report is developed. Department staff indicate that reporting the Medicare and Medicaid rate differences for physician services may not require additional staffing or information technology modifications to meet the bill requirement. However, further service rate comparison would require additional staff time and information technology modifications and those actual costs are currently indeterminate.

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