



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 2355

PRINTERS NO. 3914

PRIME SPONSOR: Sankey

### COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 2355, Printer's Number 3914, amends the Human Services Code to add Section 449.1, Medical Assistance Managed Care Organization Rate Setting. This legislation is effective in 60 days.

**ANALYSIS:** This legislation requires the Department of Human Services (DHS) to annually adjust the Medical Assistance Managed Care Organization (MCO) financial reporting used for rate setting by the value of provider-preventable conditions paid by the MA MCO to ensure Federal and State funds are not used to pay for improper payments.

Provider-preventable conditions include any conditions occurring in a health care setting that meet the following criteria:

- Identified in the State plan in line with the fee-for-service model.
- Has been found by the Commonwealth, based on review by qualified professionals, to be reasonably preventable through the application of procedures supported by evidence-based guidelines.
- Has a negative effect on the patient.
- Is auditable.
- Includes, at a minimum, any of the following:
  - A wrong surgical or other invasive procedure performed on a patient.
  - A surgical or other invasive procedure performed on the wrong body part.
  - A surgical or other invasive procedure performed on the wrong patient.

**FISCAL IMPACT:** Enactment of this legislation would have no adverse fiscal impact on Commonwealth funds and should result in future year savings to the MA program as improper payments are removed from the financial data used to calculate MCO rates.

**PREPARED BY:** Ann Bertolino  
House Appropriations Committee (R)

**DATE:** June 24, 2020

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*