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**FISCAL IMPACT STATEMENT**

**LS 7530**

**BILL NUMBER: SB 343**

**NOTE PREPARED: Mar 27, 2003**

**BILL AMENDED: Jan 23, 2003**

**SUBJECT:** Disease Management and Chronic Disease Registry.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:** Rep. C. Brown

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill removes: (1) HIV and AIDS; and (2) population parameters; from the state's Disease Management Program and sets implementation dates for the statewide program. The bill also creates a Chronic Disease Registry administered by the State Department of Health.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** (Revised) *Disease Management Program:* The Disease Management Program is for Medicaid recipients that are not enrolled in the risk-based managed care program. Family and Social Services Administration staff state that the pilot program can be done with current resources and no additional fiscal impact. Costs associated with program evaluation, modification, and statewide rollout are not known at this time. However, it is assumed that the program evaluation can be performed with existing staff and resources. Implementation of the disease management program may reduce total medical expenditures in the long-term after initial start-up costs. However, the extent of these costs and savings may not be known until the program is implemented. FSSA staff state that the disease management program for congestive heart failure should produce savings in approximately six months, and the program for diabetes should result in savings in approximately 18 months.

This bill also removes HIV and AIDS from the state disease management program. Agency staff state the complexity and individual characteristics of these make these two diseases unfit for a universal management program. The treatment for these two diseases is customized to the individual's symptoms and needs. These diseases would still be eligible for case management. No cost or savings is associated with this provision as the disease management program never fully incorporated treatment for these two diseases.

*Chronic Disease Registry:* The State Department of Health shall develop a chronic disease registry with the cooperation of the Office of Medicaid Policy and Planning. Department of Health staff state that the costs of the chronic disease registry are undeterminable at this time. The Department may adopt rules to implement this program. Department staff state that the registry will not be implemented until FY 2005. The cost of the program is unknown. The bill states that certain medical professionals may report cases of chronic disease to the registry.

*Background:* Disease management refers to the process of a physician managing a patient's disease (such as asthma or epilepsy) on a long-term, continuing basis, rather than treating a single episode. Disease management is intended to improve patient care as well as save costs by seeing that the patient's condition is well managed.

For FY 2001 the combined pool for disease management and case management was approximately 87,000 individuals. Of these, diabetes, asthma, and congestive heart failure comprised approximately 56,000 cases, and AIDS cases totaled 1,051. This bill requires that all chronic diseases, not just those treated under Medicaid disease management programs, are included on the list.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, State Department of Health.

**Local Agencies Affected:**

**Information Sources:** Amy Kruzan, Legislative Director, Family and Social Services Administration, 317-232-1149; Melanie Bella, Assistant Secretary, OMPP, Family and Social Services Administration, 317-233-4451; Zach Cattell, Legislative Director, State Department of Health, 317-232-2170; *Health Care Glossary of Terms & Definitions*, The UnderstandingBusiness Press.

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