



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 5236	Introduced on March 6, 2024
Author:	Bannister	
Subject:	Medicaid	
Requestor:	House Ways and Means	
RFA Analyst(s):	Boggs	
Impact Date:	March 25, 2024	

Fiscal Impact Summary

This bill permits the Department of Health and Human Services (DHHS), or a successor agency, to award contracts or procure Medicaid systems and services using the National Association of State Procurement Officials (NASPO) ValuePoint Master Cooperative Purchase Agreements. These purchasing agreements (agreements) are competitively solicited purchasing agreements that are developed and awarded through NASPO.

Currently, the procurement of Medicaid services and systems is completed through a competitive bid or Request for Proposal (RFP) through the Division of Procurement Services at the State Fiscal Accountability Authority (SFAA). This procurement process may take 18-24 months depending on the time required to complete key steps in the procurement process. NASPO agreements will provide DHHS with an additional channel to procure required services and systems. As NASPO agreements have already been vetted, negotiated, and awarded for certain Medicaid services, the time and effort it takes DHHS to acquire these systems and services is significantly reduced. DHHS estimates that the current steps necessary to develop and issue an RFP requires 3,300 work hours and 20.17 months in processing time resulting in \$280,500 in costs. DHHS estimates that the steps necessary to award a contract through NASPO requires 1,340 work hours and 5.67 months in processing time resulting in \$113,900 in costs. Therefore, DHHS anticipates that each contract processed through the NASPO award system will result in a savings of 1,960 work hours and 14.5 months in processing time. This will lead to a per contract savings of approximately \$166,600, of which \$83,300 is General Funds and \$83,300 is Federal Funds. The total annual savings depends upon the number of procurement that DHHS is able to complete with a NASPO agreement. Therefore, this bill will result in an undetermined General Funds and Federal Funds expenditure savings beginning in FY 2024-25.

Explanation of Fiscal Impact

Introduced on March 6, 2024

State Expenditure

This bill permits DHHS, or a successor agency, to award contracts or procure Medicaid systems and services using NASPO agreements. These agreements are competitively solicited purchasing agreements that are developed and awarded through NASPO.

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State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director