

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5744-01
Bill No.: HB 2120
Subject: Medicaid/MO HealthNet; Health Care; Drugs and Controlled Substances
Type: Original
Date: February 6, 2018

Bill Summary: This proposal expands MO HealthNet benefits for pregnant women to provide substance abuse treatment for up to two years after giving birth.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
General Revenue	(Up to \$934,669)	(Up to \$3,364,807)	(Up to \$4,877,270)	(Up to \$4,894,264)
Total Estimated Net Effect on General Revenue	(Up to \$934,669)	(Up to \$3,364,807)	(Up to \$4,877,270)	(Up to \$4,894,264)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Federal *	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

* Income and expenses could exceed \$8 million annually when fully implemented and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Total Estimated Net Effect on FTE	0	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.151 - Substance abuse treatment coverage for two years after giving birth

Officials from the **Department of Mental Health (DMH)** state the proposed legislation extends coverage for substance use disorder treatment to women receiving MO HealthNet for pregnant women until the end of the two year period after the pregnancy ends. Currently all MO HealthNet coverage, including substance abuse treatment, ends for a woman on the last day of the month that is 60 days after the pregnancy ends.

DMH estimates 183 women per month will qualify for MO HealthNet coverage of substance abuse disorder treatment under this legislation at an average cost of \$259.83 per month per individual. This assumption does not take into account whether or not these women will eventually qualify for other Medicaid eligibility groups. It also does not remove duplicates.

During FY19, 183 women will be phased in each month for 10 months. The FY 19 anticipated impact to DMH in MO HealthNet costs is \$2,615,189 (\$934,669 GR; \$1,680,520 Federal). Each month 183 additional women will be added until the maximum number of women receiving services for up to 2 years postpartum (4,392) is reached in FY 22. At that time, the number of new women receiving services will equal the number of women no longer eligible for services under this proposal.

FY 20 costs: \$9,414,680 (\$3,364,807 GR; \$6,049,873 Federal);

FY 21 costs: \$13,646,531 (\$4,877,270 GR; \$8,769,261 Federal);

FY 22 costs (full implementation): \$13,694,080 (\$4,894,264 GR; \$8,799,816 Federal).

Since the DMH did not take into account whether the women would eventually qualify for other Medicaid programs or take out possible duplicates, **Oversight** assumes the potential costs will be “Up to” the amounts provided.

Officials from the **Department of Social Services (DSS)** defer to the Department of Mental Health for any fiscal impact for costs associated with substance abuse treatment services.

Officials from the **Department of Health and Senior Services** defers to the Department of Social Services to calculate the fiscal impact of the proposed legislation.

Officials from the **Office of Administration, Information Technology Services Division/DSS** state this proposal affects the Missouri Eligibility Determination and Enrollment System (MEDES) for DSS and will be handled under the Maintenance & Operations contract. The proposal will have no fiscal impact.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2022)
GENERAL REVENUE FUND				
<u>Costs - DMH</u> (§208.151)				
Increase in substance abuse disorder treatment for pregnant women through end of second year postpartum				
	<u>(Up to</u> \$934,669)	<u>(Up to</u> \$3,364,807)	<u>(Up to</u> \$4,877,270)	<u>(Up to</u> \$4,894,264)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND				
	<u>(Up to</u> <u>\$934,669)</u>	<u>(Up to</u> <u>\$3,364,807)</u>	<u>(Up to</u> <u>\$4,877,270)</u>	<u>(Up to</u> <u>\$4,894,264)</u>
FEDERAL FUNDS				
<u>Income - DMH</u> (§208.151)				
Increase in program reimbursements				
	Up to \$1,680,520	Up to \$6,049,873	Up to \$8,769,261	Up to \$8,799,816
<u>Costs - DMH</u> (§208.151)				
Increase in substance abuse disorder treatment for pregnant women through end of second year postpartum				
	<u>(Up to</u> \$1,680,520)	<u>(Up to</u> \$6,049,873)	<u>(Up to</u> \$8,769,261)	<u>(Up to</u> \$8,799,816)
ESTIMATED NET EFFECT ON FEDERAL FUNDS				
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2022)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill extends MO HealthNet benefits for pregnant women with a household income at or below 185% of the federal poverty level to include substance abuse treatment, including opioid abuse treatment, for two years after pregnancy ends.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Social Services
Department of Health and Senior Services
Office of Administration -
Information Technology Services Division/DSS

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Acting Director
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