

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5369-01
Bill No.: HB 2556
Subject: Insurance - Health; Medicaid/MO HealthNet; Children and Minors;
Type: Original
Date: March 9, 2020

Bill Summary: This proposal requires insurance coverage for childbirth education classes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$47,500)	(\$34,867)	(\$36,645)
Total Estimated Net Effect on General Revenue	(\$47,500)	(\$34,867)	(\$36,645)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses exceed \$65,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§208.152; 208.662 and 376.1213 - MO HealthNet and health insurance coverage for childbirth education classes

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state, currently, MO HealthNet does not include childbirth education classes as a covered service, however, some of the Managed Care health plans offer this as an additional benefit at no cost to the patient. If this were a required service, it is possible a state plan amendment and amendment to the 1915(b) Waiver would be needed. Due to the timing of this waiver, the MHD assumes it would not be seeing these services until FY22.

The cost of a study on the impact of childbirth classes on infant and maternal mortality among pregnant women of color would be a one-time cost of approximately \$45,000 and would be contracted to a vendor.

The cost of adding this service would result in an impact to the Managed Care capitation rates of \$100,000. The cost of the actuarial study to evaluate this program change would be \$50,000 in the first year.

FY21 Total: \$95,000 (GR: \$47,500; Federal: \$47,500)
FY22 Total: \$100,000 (GR: \$34,867; Federal: \$65,133)
FY23 Total: \$105,100 (GR: \$36,645; Federal: \$68,455)

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by MHD for fiscal note purposes.

Officials from the **Department of Public Safety (DPS), Missouri Highway Patrol (MHP)**, defer to the MoDOT Medical Plan for its response.

Oversight notes MHP's deferral to the MoDOT Medical Plan for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for MHP.

Oversight notes the **Department of Commerce and Insurance, the Department of Health and Senior Services, the Missouri Consolidated Health Care Plan, the Missouri Department of Conservation** and the **Missouri Department of Transportation** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE			
<u>Costs</u> - DSS/MHD (§§208.152; 208.662 and 376.1213)			
Contract: One-time study on impact of childbirth education classes	(\$22,500)	\$0	\$0
Actuarial study to evaluate the program	(\$25,000)	\$0	\$0
Increase in capitation rates	<u>\$0</u>	<u>(\$34,867)</u>	<u>(\$36,645)</u>
Total <u>Costs</u> - DSS/MHD	<u>(\$47,500)</u>	<u>(\$34,867)</u>	<u>(\$36,645)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$47,500)</u>	<u>(\$34,867)</u>	<u>(\$36,645)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
FEDERAL FUNDS			
<u>Income</u> - DSS/MHD (§§208.152; 208.662 and 376.1213)			
Reimbursement for one-time study on impact of childbirth education classes	\$22,500	\$0	\$0
Reimbursement for actuarial study to evaluate the program	\$25,000	\$0	\$0
Reimbursement in capitation rate disbursements	<u>\$0</u>	<u>\$65,133</u>	<u>\$68,455</u>
Total <u>Income</u> - DSS/MHD	<u>\$47,500</u>	<u>\$65,133</u>	<u>\$68,455</u>
<u>Costs</u> - DSS/MHD (§§208.152; 208.662 and 376.1213)			
Contract: One-time study on impact of childbirth education classes	(\$22,500)	\$0	\$0
Actuarial study to evaluate the program	(\$25,000)	\$0	\$0
Increase in capitation rate disbursements	<u>\$0</u>	<u>(\$65,133)</u>	<u>(\$68,455)</u>
Total <u>Costs</u> - DSS/MHD	<u>(\$47,500)</u>	<u>(\$65,133)</u>	<u>(\$68,455)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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 requires insurance coverage for childbirth education classes. This requirement is for all individual and group health insurance policies including government plans.

The Department of Social Services shall study the impact that the childbirth education classes have on the infant and maternal mortality of certain pregnant women. The study shall be reported to the General Assembly by December 31, 2022 (§§208.152; 208.662 and 376.1213).

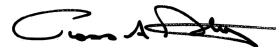
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Department of Health and Senior Services
Department of Public Safety - Missouri Highway Patrol
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation



Julie Morff
Director
March 9, 2020



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