

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5434-01
Bill No.: HB 2495
Subject: Medicaid/MO HealthNet
Type: Original
Date: April 28, 2020

Bill Summary: This proposal extends coverage for mothers in the Show Me Healthy Babies Program to one year postpartum

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0	(\$1,370,576)	(\$2,490,181)
Total Estimated Net Effect on General Revenue	\$0	(\$1,370,576)	(\$2,490,181)

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			

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

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

* Income and expenditures exceeding \$4.6 million annually and net to \$0 beginning in FY 23.

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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.662 - “Show Me Healthy Babies” program with addition of one year postpartum coverage

Officials from the **Department of Social Services (DSS)**, **MO HealthNet Division (MHD)**, and the **Family Support Division (FSD)** provide the following information and assumptions.

§208.662.6 is amended to provide pregnancy-related and postpartum coverage for the mother in the Show Me Health Babies (SMHB) program for one year after pregnancy ends.

FSD Response:

The Family Support Division (FSD) determined that approximately 578 individuals who received SMHB postpartum benefits beginning on the last day of their pregnancy would have coverage extended to twelve months.

The FSD arrived at the number in the following manner:

In FY 2019, 578 SMHB participants lost postpartum coverage after 60 days. Of these:

- o 123 moved to other assistance assuming a full benefit package
- o 63 moved to Women's Health Services (WHS) with limited benefits
- o 392 received no other assistance

Totaling: 578

Amending this section would extend SMHB coverage for 578 individuals after the postpartum period ended. DSS assumes that eligibility for the extended coverage would also include any postpartum participant currently within the initial 60-days of coverage as of the effective date.

The extension of coverage would have no fiscal impact to FSD.

FSD defers to MHD for costs to the program.

FSD assumes OA-ITSD/DSS will include the MEDES programming costs for the system changes needed to implement provisions of this bill in their response.

ASSUMPTION (continued)

Based on discussions with DSS officials, **Oversight** notes there will be no impact to OA-ITSD/DSS. Therefore, Oversight will reflect the no fiscal impact assumed by FSD and OA-ITSD/DSS for fiscal note purposes.

MHD Response:

Currently, MHD covers pregnancy-related and postpartum mothers for up to 60 days after the pregnancy ends. This legislation would extend coverage for up to one year for SMHB participants only. MHD assumes pregnancy-related and postpartum mothers who qualify for Medicaid not under SMHB would not be eligible for this extended coverage. A waiver, SPA amendment, and Managed Care Organization (MCO) contract amendment would be needed for this legislation. Therefore, MHD would start seeing additional costs beginning in FY22.

The FSD determined that approximately 578 individuals in FY19 who received SMHB postpartum benefits beginning on the last day of their pregnancy would have coverage extended to twelve months, or an average of 48 individuals per month. MHD found there has been a steady increase of eligible individuals over this time period and that on average, 87 new mothers would become eligible for the SMHB program per month. Starting in FY22, MHD assumes there would be a 1.5% increase each month in this SMHB population. Therefore, MHD assumes this increase will continue in the upcoming fiscal years.

Also, MHD found an average monthly per member per month (PMPM) rate of \$577.22 for this population. This rate includes carved-out services, which mainly includes DMH services as well as pharmacy related services.

MHD will assume no extra costs in FY21 due to the timing to acquire a waiver and SPA amendment. Therefore, MHD would start seeing additional costs beginning in FY22. MHD assumes only new eligible mothers would qualify for extended coverage when this legislation takes effect, so the population was ramped up in FY22.

FY21 Total: \$0

FY22 Total: \$3,930,868 (GR: \$1,370,576; Federal: \$2,560,292)

FY23 Total: \$7,141,943 (GR: \$2,490,181; Federal: \$4,651,762)

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

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state §208.662.6 is changed to provide postpartum MO HealthNet coverage for one year to women in the Show Me Healthy Babies after the pregnancy ends. Currently postpartum coverage ends on the last day of the month that includes the 60th day after the pregnancy ends.

The anticipated fiscal impact to DMH for community psychiatric rehabilitation (CPR), Comprehensive Substance Abuse Treatment and Rehabilitation (CSTAR), and Developmentally Disabled (DD) waiver services are included in the DSS estimate.

Oversight notes DMH's deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DMH.

Officials from the **Department of Health and Senior Services (DHSS)** defer to the Department of Social Services for response to this legislation.

Oversight notes DHSS's deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DHSS.

Officials at the **Office of Administration Division of Budget and Planning (B&P)** assume this proposal would have no direct impact to B&P, would not impact General and Total State Revenue or impact the calculation pursuant to Article X, Section 18(e). **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by B&P for fiscal note purposes.

Officials from the **University of Missouri Health Care (MUHC)** has determined that, as written, the proposed legislation should not create a negative fiscal impact.

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

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 FUND			
<u>Costs</u> - DSS (§208.662) Increase in program costs to extend services to pregnant women for one year postpartum	<u>\$0</u>	<u>(\$1,370,576)</u>	<u>(\$2,490,181)</u>
ESTIMATED NET IMPACT ON THE GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$1,370,576)</u>	<u>(\$2,490,181)</u>
FEDERAL FUNDS			
<u>Income</u> - DSS (§208.662) Increase in program reimbursements	\$0	\$2,560,292	\$4,651,762
<u>Costs</u> - DSS (§208.662) Increase in program costs to extend services to pregnant women for one year postpartum	<u>\$0</u>	<u>(\$2,560,292)</u>	<u>(\$4,651,762)</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

This proposal may positively impact small business physician offices that contract to provide services through the MO HealthNet program.

FISCAL DESCRIPTION

This proposal would extend MO HealthNet benefits for qualifying pregnant women from 60 days postpartum to one year after giving birth. In addition, the proposal would also extend Show Me Healthy Babies program benefits for pregnant women from 60 days postpartum to one year after giving birth (§208.662).

FISCAL DESCRIPTION (continued)

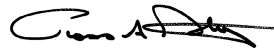
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Office of Administration - Division of Budget & Planning
University of Missouri Health Care



Julie Morff
Director
April 28, 2020



Ross Strobe
Assistant Director
April 28, 2020