



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill # HB0248

Title: Generally revise medicaid coverage for midwives

Primary Sponsor: Karjala, Jessica

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	FY 2020 Difference	FY 2021 Difference	FY 2022 Difference	FY 2023 Difference
Expenditures:				
General Fund	\$4,725	\$4,742	\$5,322	\$5,374
Federal Special Revenue	\$8,478	\$8,866	\$9,948	\$10,048
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$8,478	\$8,866	\$9,948	\$10,048
Net Impact-General Fund Balance:	(\$4,725)	(\$4,742)	(\$5,322)	(\$5,374)

Description of fiscal impact: HB 248 proposes to allow services for low-risk home births attended by direct-agency midwives to be reimbursed under the Montana Medicaid program. This will result in a cost to the State of Montana. The Department of Public Health and Human Services (the department) will need to develop a new allowable state plan service.

FISCAL ANALYSIS

Assumptions:

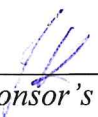
1. A baseline estimate is established using the 228 home births attended by direct-agency midwives during calendar year 2018 and reported to the department's Public Health and Safety Division, Vital Statistics Unit.
2. Nine of these home births, or 3.9%, self-reported being eligible for Medicaid.
3. The total home births in a fiscal year is anticipated to grow by 5%.
4. Medical necessity criteria will be specifically developed to restrict medical conditions or circumstances that are not eligible for home birth due to high risk of adverse outcomes.
5. The average cost of a home-birth delivery is estimated at \$1,497 in FY 2020 with a projected growth of 1% per year.
6. The department estimates services will be reimbursable under standard Medicaid.
7. The following table shows the estimated benefit expenditures by fiscal year and estimated impacts by funding source.

	FY 2020	FY 2021	FY 2022	FY 2023
Home Birth Expenses				
Estimated Total Home Births	228	239	251	264
Percent Eligible Served	3.9%	3.9%	3.9%	3.9%
Total estimated Medicaid Recipients	9	9	10	10
Estimated cost per home birth	\$ 1,497	\$ 1,512	\$ 1,527	\$ 1,542
Total Expense	\$ 13,473	\$ 13,608	\$ 15,271	\$ 15,424
FMAP - Standard Medicaid				
State Funds	35.07%	34.85%	34.85%	34.85%
Federal Funds	64.93%	65.15%	65.15%	65.15%
Funding				
General Fund	\$ 4,725	\$ 4,742	\$ 5,322	\$ 5,375
Federal Fund	\$ 8,748	\$ 8,865	\$ 9,949	\$ 10,048
Total Funds	\$ 13,473	\$ 13,608	\$ 15,271	\$ 15,424

	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits	✓ \$13,473	✓ \$13,608	✓ \$15,270	✓ \$15,420
TOTAL Expenditures	<u>\$13,473</u>	<u>\$13,608</u>	<u>\$15,270</u>	<u>\$15,420</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	✓ \$4,725	✓ \$4,742	✓ \$5,322	✓ \$5,374
Federal Special Revenue (03)	✓ \$8,748	✓ \$8,866	✓ \$9,948	✓ \$10,046
TOTAL Funding of Exp.	<u>\$13,473</u>	<u>\$13,608</u>	<u>\$15,270</u>	<u>\$15,420</u>
<u>Revenues:</u>				
General Fund (01)	✓ \$0	✓ \$0	✓ \$0	✓ \$0
Federal Special Revenue (03)	✓ \$8,748	✓ \$8,866	✓ \$9,948	✓ \$10,046
TOTAL Revenues	<u>\$8,748</u>	<u>\$8,866</u>	<u>\$9,948</u>	<u>\$10,046</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	✓ (\$4,725)	✓ (\$4,742)	✓ (\$5,322)	✓ (\$5,374)
Federal Special Revenue (03)	✓ \$0	✓ \$0	✓ \$0	✓ \$0

Technical Notes:

1. A state plan amendment establishing the rate must be written and sent to the Centers of Medicare and Medicaid Services (CMS) for approval. It must be approved in order to receive federal matching funds for this service.

 _____ Sponsor's Initials	<u>1/25</u> _____ Date	<u>TL</u> _____ Budget Director's Initials	<u>1/25/19</u> _____ Date
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