



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0655 - Require medicaid coverage of home births attended by midwives (Zolnikov, Katie )

**Status:** As Amended in House Committee

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input 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

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$8,147	\$9,080	\$9,574	\$10,688
Federal Special Revenue	\$21,529	\$24,166	\$25,479	\$28,447
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$21,529	\$24,166	\$25,479	\$28,447
<b>Net Impact-General Fund Balance:</b>	(\$8,147)	(\$9,080)	(\$9,574)	(\$10,688)

**Description of fiscal impact:** HB 655, as amended, allows services for low-risk home births attended by direct-agency midwives to be reimbursed under the Montana Medicaid Program. This new allowable service will result in additional costs to the Department of Public Health and Human Services.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Public Health and Human Services**

1. A total of 353 home births attended by direct-agency midwives were reported to the department's Public Health and Safety Division, vital statistics in calendar year 2022.
2. Thirteen of these home births, or 4.59%, self-reported being eligible for Medicaid.
3. Based on data from vital statistics, the total home births are anticipated to grow by 3.68% annually.
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 \$1,854.67 in FY 2024 with a projected inflation rate of 5.44% per year. The inflation rate is based on data from the prior five years.
6. The department assumes these services will be eligible for federal reimbursement and that the following FMAPs will apply: standard Medicaid FMAP for traditional Medicaid categories (35.88% state funded and 64.12% federal funded) and Medicaid Expansion FMAP for Medicaid Expansion enrollees (90% federal funded and 10% state funded)
7. The following table shows the estimated benefit expenditures by fiscal year and estimated impacts by funding source.

<b>MEDICAID COVERAGE OF CERTAIN HOME BIRTHS ATTENDED BY A MIDWIFE</b>				
	<b>SFY 2024</b>	<b>SFY2025</b>	<b>SFY2026</b>	<b>SFY2027</b>
<b>Home Birth Expenses</b>				
Estimated Total MT Home Births	353	366	379	393
Percent Eligible Served	4.59%	4.59%	4.59%	4.59%
Total Estimated Medicaid Recipients	16	17	17	18
Estimated Cost per Home Birth	1,854.67	1,955.56	2,061.94	2,174.11
<b>Total Expense</b>	<b>\$ 29,675</b>	<b>\$ 33,245</b>	<b>\$ 35,053</b>	<b>\$ 39,134</b>
<b>TOTAL Home Birth Projection Medicaid - 66.89%</b>	<b>\$ 19,849</b>	<b>\$ 22,237</b>	<b>\$ 23,447</b>	<b>\$ 26,177</b>
<b>TOTAL Home Birth Projection Expansion - 33.11%</b>	<b>\$ 9,825</b>	<b>\$ 11,007</b>	<b>\$ 11,606</b>	<b>\$ 12,957</b>
<b>FMAP</b>				
	<b>SFY 2024</b>	<b>SFY2025</b>	<b>SFY2026</b>	<b>SFY2027</b>
<b>Standard Medicaid</b>				
State Share	36.09%	35.88%	35.88%	35.88%
Federal Share	63.91%	64.12%	64.12%	64.12%
<b>Expansion</b>				
State Share	10.00%	10.00%	10.00%	10.00%
Federal Share	90.00%	90.00%	90.00%	90.00%
<b>FUNDING</b>				
	<b>SFY 2024</b>	<b>SFY2025</b>	<b>SFY2026</b>	<b>SFY2027</b>
State - Medicaid	\$ 7,164	\$ 7,979	\$ 8,413	\$ 9,392
Federal - Medicaid	\$ 12,686	\$ 14,259	\$ 15,034	\$ 16,785
State - Expansion	\$ 983	\$ 1,101	\$ 1,161	\$ 1,296
Federal - Expansion	\$ 8,843	\$ 9,907	\$ 10,445	\$ 11,662


**Department of Labor and Industry**

8. HB 655 requires Medicaid coverage of certain home births attended by a midwife licensed by the Board of Alternative Healthcare. Although the bill will require changes to administrative rules currently in place for the board, these costs can be covered within the Department of Labor & Industry’s current budget authority.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Benefits	\$29,676	\$33,246	\$35,053	\$39,135
<b>TOTAL Expenditures</b>	<b>\$29,676</b>	<b>\$33,246</b>	<b>\$35,053</b>	<b>\$39,135</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$8,147	\$9,080	\$9,574	\$10,688
Federal Special Revenue (03)	\$21,529	\$24,166	\$25,479	\$28,447
<b>TOTAL Funding of Exp.</b>	<b>\$29,676</b>	<b>\$33,246</b>	<b>\$35,053</b>	<b>\$39,135</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$21,529	\$24,166	\$25,479	\$28,447
<b>TOTAL Revenues</b>	<b>\$21,529</b>	<b>\$24,166</b>	<b>\$25,479</b>	<b>\$28,447</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$8,147)	(\$9,080)	(\$9,574)	(\$10,688)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

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Sponsor's Initials

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Date

  
\_\_\_\_\_  
Budget Director's Initials

3-8-23  
\_\_\_\_\_  
Date