

HF809 - 0 - "State-Sponsored Health Prog Abortion Fund"

Chief Author: **Mary Franson**
 Committee: **Health and Human Services Finance**
 Date Completed: **02/23/2017**
 Lead Agency: **Human Services Dept**
 Other Agencies:
 Health Dept

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
State Total						
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge Date: 02/23/2017
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

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Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge Date: 2/23/2017 9:34:45 AM
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	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This legislation prohibits funding for abortions in state-sponsored health care programs administered by DHS, except to the extent that funding is necessary for continued participation in a federal program. The bill contains a severability clause declaring that if any portion of the bill is found unconstitutional, the remaining sections shall go into effect.

Assumptions

Federal law (the "Hyde" amendment) prohibits the use of federal Medicaid funds to pay for abortion except in cases of rape, incest, or when necessary to save the life of the woman. It is assumed that the primary effect of this state legislation would be to prohibit the use of state funds to pay for abortions except in those circumstances where federal Medicaid funds may be used.

Under Minnesota Statutes section 256B.0625, subd.16, Medical Assistance (MA) covers abortion services under the following conditions:

- (a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;
- (b) The pregnancy is the result of criminal sexual conduct and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or
- (c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

The exceptions for the prohibition on the use of public funding for abortion in state law are similar to those in federal law.

In 1995, the Minnesota Supreme Court ruled that Minnesota Statutes section 256B.0625, subd. 16, violates the right to privacy under the State Constitution. As a result of the court ruling, Minnesota currently funds abortion services through the MA program that do not qualify for federal Medicaid funding under the Hyde amendment. For clarification, see Women of State of Minn. by Doe v. Gomez, 542 N.W.2d 17 (Minn. 1995).

Given the 1995 Minnesota Supreme Court decision, it is likely but not certain that the state would be enjoined by the courts

from implementing the language in this proposal. Therefore this fiscal note assumes no fiscal impact from this proposal.

This change in statute increases the risk of litigation. Such litigation could impact implementation and carry actual costs related to both the cost both of any litigation and the resolution of litigation. These costs are difficult to determine given unknown variables such as the type of litigation which could result, the volume of litigation, and the nature of the resolution which would result. Because of the difficulty in producing an estimate, no estimated costs of litigation are included in this fiscal note.

Addendum: State Funded Abortions

In FY 2015, Medical Assistance paid for 4,157 abortions that did not qualify for federal funding. The total reimbursement for these state funded abortions and related services was \$1,021,205. It is assumed that if state-funded health care programs no longer paid for abortions, there would be increased costs associated with health care services provided to women and children that would offset savings from no longer covering abortion procedures.

Expenditure and/or Revenue Formula

None

Long-Term Fiscal Considerations

None identified

Local Fiscal Impact

None

References/Sources

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HF809 - 0 - "State-Sponsored Health Prog Abortion Fund"

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 Committee: **Health and Human Services Finance**
 Date Completed: **02/23/2017**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

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Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Subdivision 1 restricts funding for state-sponsored health programs from being used for funding abortions, except to the extent necessary for continued participation in a federal program. This subdivision applies to state-sponsored health programs that are administered by the commissioner of human services.

Subdivision 2 states that if one or more portions of the bill or its application is found to be unconstitutional, it is declared to be severable and the a balance of the section shall remain effective notwithstanding such unconstitutionality.

Assumptions

The Department of Health does not administer any health programs that fund abortions, so the department would have no role in implementing this legislation. As a result, this legislation has no fiscal impact on the Department of Health.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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