

HF2178 - 0 - "Doula Services Reimbursement"

Chief Author: **Tama Theis**
 Committee: **Health and Human Services Finance**
 Date Completed: **10/23/2017**
 Agency: **Human Services 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) Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	7	19	23
Total	-	-	7	19	23
Biennial Total			7		42

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
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: 10/23/2017 3:43:10 PM
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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 Dollars in Thousands	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	7	19	23
Total	-	-	7	19	23
Biennial Total			7		42
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	7	19	23
Total	-	-	7	19	23
Biennial Total			7		42
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

Senate File 1275 increases the payment rate for doula services provided under the Medical Assistance program.

Assumptions

DHS staff have spoken with the author, and he has indicated that he intends to amend the bill to reflect a July 1, 2018 effective date if the bill is heard during the 2018 legislative session. This fiscal note assumes an effective date of July 1, 2018.

Under Minnesota Statutes 256B.69 sub. 5a, requirements applicable to managed care programs under 256B and 256L established after the date of the contract take effect when the contract is next issued or renewed. Accordingly this estimate assumes January 1, 2019 effective date for the rate increase in managed care.

Reimbursement for doula services under fee for service (FFS) MA is currently \$25.71 for prenatal and postpartum visits and \$257.10 for doula services rendered while attending a birth. This bill increases the payment rates to \$47 for prenatal and postpartum visits and \$488 for attendance at a birth.

Claims data show a total of 397 prenatal/postpartum visits and 46 claims for birth attendance under managed care MA during calendar year 2016. There was also one FFS prenatal/postpartum visit. It is assumed that the number of FFS deliveries attended by doulas will increase to 20 per year by FY2021 and the number of MCO deliveries attended by doulas will increase to 87. For each additional delivery, this fiscal note assumes 9 additional visits based on the ratio of visits to deliveries for doulas reimbursed by MCOs in 2016. The fiscal impact reflected is related only to the cost of increasing reimbursement rates for doula services.

Expenditure and/or Revenue Formula

Minnesota				
MEDICAL ASSISTANCE				
Fiscal Analysis of a Proposal to				
Increase Rates for Doula Services				
Senate File 1275				

Historical claims data:				
	CY 2015	CY 2016		
Fee for service deliveries	0	1		
Fee for service visits	0	1		
Fee for service recipients	0	2		
Managed care deliveries	37	46		
Managed care visits	722	397		
Managed care recipients	209	124		
Projected Paid Claims				
	FY 2018	FY 2019	FY 2020	FY 2021
Fee for service deliveries		5	10	20
Fee for service visits		45	90	180
Managed care deliveries		69	78	87
Managed care visits		621	702	783
Rate increase per unit:				
Deliveries		\$230.90	\$230.90	\$230.90
Visits		\$21.29	\$21.29	\$21.29
	FY 2018	FY 2019	FY 2020	FY 2021
Phase-in for July effective date July '18 for fee for service / January '19 for managed care:				
Fee for service		66.67%	100.00%	100.00%
Managed care		41.67%	100.00%	100.00%
Cost increases				
Fee for service deliveries		\$770	\$2,309	\$4,618
Fee for service visits		\$639	\$1,916	\$3,832

Managed care deliveries		\$6,638	\$18,010	\$20,088
Managed care visits		\$5,509	\$14,946	\$16,670
Total MA Cost	\$0	\$13,556	\$37,181	\$45,209
Federal share %	50.00%	50.00%	50.00%	50.00%
Federal share %	0	6,778	18,590	22,604
State share	0	6,778	18,590	22,604

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	33-FC	MA Grants	0	7	19	23
		Total Net Fiscal Impact	0	7	19	23
		Full Time Equivalents				

Long-Term Fiscal Considerations

none

Local Fiscal Impact

none

References/Sources

Medical Assistance Program forecast (2017 EOS).

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