

HF607 - 0 - "State-Sponsored Hlth Prgms Fund Limits"

Chief Author: **Tama Theis**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/20/2015**
 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)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
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

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	FY2015	FY2016	FY2017	FY2018	FY2019	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This proposal prohibits funding from state-sponsored health care programs from being used to fund abortions, except to the extent 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 prohibits the use of certain federal funds to pay for abortion services with certain exceptions. In particular, the legislation, referred to as the Hyde amendment, prohibits the use of federal Medicaid funds to pay for the cost of abortions except when necessary to save the life of the woman or in cases of rape or incest. It is assumed that the primary effect of the state legislation would be to prohibit the use of state MA funds to pay for abortions except when necessary to comply with the Hyde amendment.

Under

[http://www.westlaw.com/Find/Default.wl?rs=WEB31.0&vr=2.0&DB=1000044&DocName=MNSTS256B.0625&FindType=L,subd. 16](http://www.westlaw.com/Find/Default.wl?rs=WEB31.0&vr=2.0&DB=1000044&DocName=MNSTS256B.0625&FindType=L,subd.16), state MA funds can be used only if one of the following conditions is met:

(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 the Hyde amendment.

In 1995, the Minnesota Supreme Court ruled

that [http://www.westlaw.com/Find/Default.wl?rs=WEB31.0&vr=2.0&DB=1000044&DocName=MNSTS256B.0625&FindType=L,subd. 16](http://www.westlaw.com/Find/Default.wl?rs=WEB31.0&vr=2.0&DB=1000044&DocName=MNSTS256B.0625&FindType=L,subd.16), violates the right to privacy under the State Constitution. As a result of the court ruling, Minnesota currently pays for abortion services through the MA program. 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 fiscal costs related to both the cost of litigation and the cost of any 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 Calendar Year 2013, state health care programs paid for 3,353 abortions that did not qualify for federal funding under the Hyde amendment. The total reimbursement for those abortions was \$800,034. 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

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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