

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6161-01
Bill No.: HB 2280
Subject: Medicaid/MO HealthNet; Health Care; Drugs and Controlled Substances
Type: Original
Date: February 6, 2018

Bill Summary: This proposal expands MO HealthNet benefits for pregnant women to provide substance abuse treatment for up to one year after giving birth.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Up to \$934,669)	(Up to \$2,430,138)	(Up to \$2,447,132)
Total Estimated Net Effect on General Revenue	(Up to \$934,669)	(Up to \$2,430,138)	(Up to \$2,447,132)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses could exceed \$4.3 million annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** state the proposed legislation extends coverage for substance use disorder treatment to women receiving MO HealthNet for pregnant women until the end of the one year period after the pregnancy ends. Currently all MO Health coverage, including substance abuse treatment, ends for the woman on the last day of the month that is 60 days after the pregnancy ends.

DMH estimates 183 women per month will qualify for MO HealthNet coverage of substance abuse disorder treatment under this legislation at an average cost of \$259.83 per month per person. This assumption does not take into account whether or not these women will eventually qualify for other Medicaid eligibility groups. It also does not remove duplicates. The anticipated impact to DMH in MO HealthNet costs is \$2,615,189 (\$934,996 GR; \$1,680,520 Federal) for FY19, \$6,799,491 (\$2,430,138 GR; \$4,369,353 Federal) for FY20 and \$6,847,040 (\$2,447,132 GR; \$4,399,908 Federal) for FY21.

Oversight notes that $183 \text{ women per month} * 12 \text{ months} = 2,196 \text{ women per month}$ that could receive benefits each month beginning the second year. $2,196 \text{ women} * \$259.83 * 12 \text{ months} = \$6,847,040$. After a full year (12 months), the number of participants entering the program each month will equal the number of participants exiting the program each month. Since the DMH did not take into account whether the women could eventually qualify for other Medicaid programs or take out possible duplicates, Oversight assumes the potential costs will be “Up to” the amounts provided.

Officials from the **Department of Social Services (DSS)** defer to the Department of Mental Health for any fiscal impact for costs associated with substance abuse treatment services.

Officials from the **Department of Health and Senior Services** and **Office of Administration, Information Technology Services/DSS** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Costs - DMH (§208.151)</u>			
Increase in substance abuse disorder treatment for pregnant women through end of one year after birth	(Up to <u>\$934,669</u>)	(Up to <u>\$2,430,138</u>)	(Up to <u>\$2,447,132</u>)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Up to \$934,669)</u>	<u>(Up to \$2,430,138)</u>	<u>(Up to \$2,447,132)</u>
 FEDERAL FUNDS			
<u>Income - DMH (§208.151)</u>			
Increase in program reimbursements	Up to \$1,680,520	Up to \$4,369,353	Up to \$4,399,908
<u>Costs - DMH (§208.151)</u>			
Increase in substance abuse disorder treatment for pregnant women through end of one year after birth	(Up to <u>\$1,680,520</u>)	(Up to <u>\$4,369,353</u>)	(Up to <u>\$4,399,908</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION


This bill extends MO HealthNet benefits for pregnant women to receive substance abuse treatment, including opioid abuse treatment, for one year after pregnancy ends.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Office of Administration -
Information Technology Services Division/DSS

Ross Strope



Acting Director
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