

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6161-05
Bill No.: SS for SCS for HCS for HB Nos. 2280, 2120, 1468 & 1616
Subject: Medicaid/MO HealthNet; Health Care; Drugs and Controlled Substances
Type: Original
Date: May 16, 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	(\$708,269)	(\$1,897,507)	(\$1,969,321)
Total Estimated Net Effect on General Revenue	(\$708,269)	(\$1,897,507)	(\$1,969,321)

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 6 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 exceed \$3.5 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 maintains pregnant women receiving substance abuse treatment within sixty days of giving birth shall be eligible for MO HealthNet benefits for no more than twelve additional months as long as the woman remains adherent with treatment. The DMH and the Department of Social Services (DSS) shall seek any necessary waiver from the Centers for Medicare and Medicaid Services and shall develop rules relating to treatment plan adherence. No later than fifteen months after receiving any necessary waiver, DMH and the DSS shall report to the House of Representatives Budget Committee and the Senate Appropriations Committee on the compliance with federal cost neutrality requirements. Currently all MO Health coverage, including substance use disorder treatment, ends for the woman on the last day of the month that is 60 days after the pregnancy ends.

DMH officials state the Department of Social Services/MO HealthNet Division (DSS/MHD) estimates 114 women a month will qualify for MO HealthNet coverage of substance use disorder treatment under this legislation. The average cost for the DMH to provide substance use disorder (SUD) treatment is \$259.83 per month. The anticipated impact calculated by DSS for DMH is \$1,629,134 (\$566,890 GR and \$1,062,244 Federal) for FY19; \$4,396,707 (\$1,529,922 GR and \$2,866,785 Federal) for FY20 and \$4,595,697 (\$1,599,165 GR and \$2,996,532 Federal) for FY21. DMH agrees with the cost estimate provided by DSS. Some of the cost to DMH could be offset with existing funds.

Oversight notes the number of women receiving SUD treatment will increase each month by 114 participants until the end of one year (114 X 12 months = 1,368 maximum participants; however, month 1 will have 114 participants; month 2 will have 228 participants; month 3 will have 342 participants and so on until the end of 12 months). At that time, the number of new participants entering the program each month will equal the number of participants losing eligibility.

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state this version of the bill changes Section 208.151.1 (20): Pregnant women receiving substance abuse treatment within sixty days of giving birth shall, subject to appropriations and any necessary federal approval, be eligible for Mo HealthNet benefits for substance abuse treatment *and mental health services for the treatment of substance abuse* for no more than twelve additional months, as long as the woman remains adherent with treatment.

The proposed legislation extends substance abuse treatment including mental health services for post-partum women from sixty days to one year. If the proposed legislation passes, a waiver would be required to extend the current 60 day post-partum coverage to one year.

ASSUMPTION (continued)

MHD defers to DMH for any fiscal impact for costs associated with substance abuse treatment services.

MHD anticipates costs associated with Mental Health Services provided outside of DMH services.

MHD's Evidence Based Unit identified how many pregnant women were currently treated for Substance Use Disorder and applied that percentage to the monthly births; therefore, approximately 114 (participants per month will be added) will receive Substance Use Disorder (SUD) treatment.

The average per member per month (PMPM) payment for SUD participants for Mental Health Services is \$64.80.

FY19 total: \$406,296 (GR: \$141,379; Fed: \$264,917)
FY20 total: \$1,056,370 (GR: \$367,585; Fed: \$688,785)
FY21 total: \$1,063,757 (GR: \$370,156; Fed: \$693,601)

Officials from the **DSS**, **FSD** and the **Division of Legal Services** assume this section will not fiscally impact their divisions.

Oversight notes provisions in 208.181.1(20) provide that “pregnant women who are eligible for, have applied for and received MO HealthNet benefits...shall be considered eligible for all pregnancy-related and postpartum MO HealthNet benefits provided under section 208.152 until the end of the sixty-day period beginning on the last day of their pregnancy. Pregnant women receiving substance abuse treatment within sixty days of giving birth, subject to appropriations... be eligible for substance abuse treatment for no more than twelve additional months, as long as the woman remains adherent with treatment...” Therefore, Oversight assumes only the DMH incurs additional costs for these women as the women are not provided coverage for non-substance use disorder treatment after the end of 60 days postpartum.

Officials from the **Department of Health and Senior Services** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Costs - DSS (§208.151.1(20))</u>			
Additional mental health services for pregnant women through end of one year after birth	(\$141,379)	(\$367,585)	(\$370,156)
<u>Costs - DMH (§208.151)</u>			
Increase in substance abuse disorder treatment for pregnant women through end of one year after birth	(\$566,890)	(\$1,529,922)	(\$1,599,165)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$708,269)</u>	<u>(\$1,897,507)</u>	<u>(\$1,969,321)</u>
 FEDERAL FUNDS			
<u>Income - DSS (§208.151.1(20))</u>			
Increase in program reimbursements	\$264,917	\$688,785	\$693,601
<u>Income - DMH (§208.151)</u>			
Increase in program reimbursements	\$1,062,244	\$2,866,785	\$2,996,532
<u>Costs - DSS (§208.151.1(20))</u>			
Additional mental health services for pregnant women through end of one year after birth	(\$264,917)	(\$688,785)	(\$693,601)
<u>Costs - DMH (§208.151)</u>			
Increase in substance abuse disorder treatment for pregnant women through end of one year after birth	(\$1,062,244)	(\$2,866,785)	(\$2,996,532)
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 and mental health services for the treatment of substance abuse for no more than twelve additional months as long as the woman remains adherent with treatment. Funding is subject to appropriations and necessary federal approval. Departments are to seek necessary waivers and/or state plan amendments.

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 Health and Senior Services -
MO HealthNet Division
Department of Mental Health
Department of Social Services

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Acting Director
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