

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1203-03
Bill No.: SB 263
Subject: Children and Minors; Health Care; Health Care Professionals; Health and Senior Services Department; Medicaid/MO HealthNet; Mental Health; Mental Health Department; Nurses; Physicians; Psychologists; Public Assistance; Social Services Department
Type: Original
Date: March 12, 2019

Bill Summary: This proposal provides for postpartum depression screening and treatment for certain mothers.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|---|---|---|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| General Revenue | (\$1,012,172 to \$1,036,860) | (\$2,051,203 to \$2,132,003) | (\$2,115,294 to \$2,196,902) |
| Total Estimated Net Effect on General Revenue | (\$1,012,172 to \$1,036,860) | (\$2,051,203 to \$2,132,003) | (\$2,115,294 to \$2,196,902) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|--------------------------|---------------------------|---------------------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Federal Reimbursement Allowance (#0142) | \$0 to (\$49,653) | \$0 to (\$132,327) | \$0 to (\$136,461) |
| Total Estimated Net Effect on Other State Funds | \$0 to (\$49,653) | \$0 to (\$132,327) | \$0 to (\$136,461) |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 10 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Federal* | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

*Income and expenses \$0 to exceeding \$3.9 million annually and net to \$0.

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| General Revenue | 0 or 0.53 | 0 or 1 | 0 or 1 |
| Federal | 0 or 0.47 | 0 | 0 |
| Total Estimated Net Effect on FTE | 0 or 1 | 0 or 1 | 0 or 1 |

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 2020 | FY 2021 | FY 2022 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** provide the following assumptions:

§194.940: Creates a new section that requires ambulatory surgical centers, and health care providers to screen for postpartum depression after the birth of a baby.

§194.940.1: Defines "ambulatory surgical center", "health care provider", "hospital", "postnatal care", and "questionnaire" as used in this section.

§194.940.2: All hospitals and ambulatory surgical centers that provide labor and delivery services will be required to provide new mothers, and if possible, fathers and other family members, with information about postpartum depression prior to discharge following the birth of a child. The department of health and senior services, in cooperation with the department of mental health shall provide written information to hospitals and ambulatory surgical centers to use regarding postpartum depression and the information shall be included on its website.

§194.940.3: Health care providers providing postnatal care to new mothers until six months after the birth are required to offer the mother a questionnaire and shall review the completed questionnaire in accordance with the opinions and recommendations of the American College of Obstetricians and Gynecologists (ACOG).

§194.940.4: Health care providers that provide pediatric care to an infant will also be required to offer a questionnaire at well-baby checkups from the infants one month checkup to the six month checkup when the mother is present and shall review the completed questionnaire in accordance with the opinions and recommendations of ACOG to screen for undiagnosed postpartum depression or related mental health disorders in the mother. The mother may consent to sharing the completed questionnaire with the mother's primary care provider or mental health provider of her choice. If the questionnaire determines the mother presents a danger to herself, the infant, or someone else, the mother's consent is not required prior to sharing the results.

§208.151.1(20): Extends MO HealthNet coverage for postpartum depression treatment from two months after the birth of the child to up to 12 additional months, if the mother was receiving MO HealthNet coverage for Pregnant Women at the time of the birth, subject to appropriations and any necessary federal approval.

ASSUMPTION (continued)

IMPACT:

The proposed legislation extends MO HealthNet (MHD) coverage for participants who receive mental health treatment for postpartum depression or related mental health services 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.

MHD's Evidence Based Unit identified 1,538 women were treated for Post-Partum Mental Health related issues in FY 2018; therefore, MHD estimates approximately 128 women will phase into this program each month to receive treatment for postpartum depression or any other related mental health condition.

The average per member per month (PMPM) payment for participants with postpartum depression and other related mental health conditions is estimated to be \$324.41 in FY 2020.

System modifications will be needed to create a new Medicaid Eligibility (ME) code in Medicaid Management Information System (MMIS) for these participants; the estimate for this cost would be \$160,000. There will also likely be a need for system work in Missouri Eligibility Determination and Enrollment System (MEDES) and in MHD. MHD defers to The Family Support Division (FSD)/ITSD for this estimate.

Oversight contacted Office of Administration, Information Technology Services Division (OA, ITSD) officials and learned that DSS has a contract with Wipro to make system changes to MMIS. Therefore, Oversight will present contract costs for MMIS system changes per the DSS response.

DSS, MHD officials state that "Other Funds" is the Federal Reimbursement Allowance Fund (FRA) 0142. Costs are ranged since it is unknown exactly how many women will receive services under this program.

FY 2020 total (10 months): \$0 - \$2,444,411 (GR: \$849,677; Fed: \$1,545,080; Other: \$49,653);
FY 2021 total: \$0 - \$6,087,994 (GR: \$2,051,203; Fed: \$3,904,464; Other: \$132,327);
FY 2022 total: \$0 - \$6,278,215 (GR: \$2,115,294; Fed: \$4,026,460; Other: \$136,461).

DSS provided the response for **OA, ITSD**. OA, ITSD officials state it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.

System changes to Income Maintenance will be necessary. Changes would include logic to incorporate a new ME (Medicaid Eligibility) code into the MO HealthNet systems including managed care and eligibility being sent downstream to Wipro. It is estimated IT consultants would need 267.84 hours at \$75/hour or \$20,088 (\$10,647 GR; \$9,441 Federal) to complete the necessary changes in FY 2020.

ASSUMPTION (continued)

Oversight obtained additional information from OA, ITSD officials. It is possible ITSD staff could complete these Income Maintenance system changes, but it depends on how many proposals pass during the current legislation session. If multiple proposals pass, cumulatively, the additional work may exceed the resources ITSD has available.

For this proposal, ITSD estimates the project would take 267.84 hours at a contract rate of \$75 per hour for a total cost to the state of \$20,088 (\$10,647 GR; \$9,441 Federal) in FY 2020. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire additional IT Specialists to perform the work required by this proposal. Therefore, Oversight will range the fiscal impact from the cost of contracting out the work (\$20,088 in FY 2020 to hiring 1 ($\$20,088 / \$75 / 2,080 \text{ hours} = 0.13$ rounded up) additional FTE IT Specialists (at roughly \$80,000 per year) to complete the Income Maintenance system changes required by this proposal. FTE costs will be split according to the percentage used by ITSD for project costs (53% GR; 47% Federal) for FY 2020. Oversight does not assume subsequent year IT FTE costs will be eligible for the State/Federal split and will assume FY 2021 and FY 2022 costs to be 100% GR.

OA, ITSD officials indicate IT consultants will require 3,796.20 hours * \$75/hour, or \$607,392 (\$151,848 GR; \$455,544 Federal) to make changes to the Missouri Eligibility Determination and Enrollment System (MEDES). System modifications will be executed via a Project Assessment Quotation under the existing Redmane contract (CT 170849002) for MEDES Maintenance and Operations as an enhancement. Redmane will employ a Project Manager (\$232/hour); Business Analysts (\$190/hour); Curam Rules Engine Specialists (\$160/hour); Program Analysts (\$160/hour); and Testing Specialists (\$80/hour) to complete the system modifications. Assuming a blended rate of \$160/hour.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by OA, ITSD for fiscal note purposes.

Officials from the **Department of Mental Health (DMH)** state for §191.940 the DMH assumes that the required written information regarding postpartum depression would be the responsibility/cost of the Department of Health and Senior Services. The requirements for loading information on the DMH website could be done with no additional cost to the department.

For §208.151, the DMH assumes that behavioral health services for postpartum depression and related mental health conditions would likely be covered by the Department of Social Services (DSS). Postpartum depression is not normally covered by DMH services until it reaches a

ASSUMPTION (continued)

severity to qualify for Comprehensive Psychiatric Rehabilitation (CPR) services. Therefore, the DMH would assume no fiscal impact to the department and that most of these services would fall under DSS cost.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no fiscal impact for the DMH for fiscal note purposes.

Oversight notes that the **Department of Health and Senior Services** and the **Department of Insurance, Financial Institutions and Professional Registration** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|--|--|--|
| GENERAL REVENUE FUND | | | |
| <u>Costs - DSS (§§191.940 and 208.151)</u> | | | |
| Program distributions | \$0 to (\$769,677) | \$0 to (\$2,051,203) | \$0 to (\$2,115,294) |
| MMIS system modifications (Wipro) | <u>(\$80,000)</u> | <u>\$0</u> | <u>\$0</u> |
| Total <u>Costs</u> - DSS | <u>\$0 to (\$849,677)</u> | <u>\$0 to (\$2,051,203)</u> | <u>\$0 to (\$2,115,294)</u> |
| <u>Costs - OA, ITSD (§§191.940 and 208.151)</u> | | | |
| Income Maintenance system changes (ranged from contracting out the programming (\$20,088) to hiring an additional 1 FTE IT Specialist) | (\$10,647 or \$35,335) | (\$0 or \$80,800) | (\$0 or \$81,608) |
| MEDES system updates (Redmane) | <u>(\$151,848)</u> | <u>\$0</u> | <u>\$0</u> |
| Total <u>Costs</u> - OA, ITSD | (\$162,495 or \$187,183) | (\$0 or \$80,800) | (\$0 or \$81,608) |
| FTE Change - OA, ITSD | 0 or 0.53 FTE | 0 or 1 FTE | 0 or 1 FTE |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | <u>(\$1,012,172 to \$1,036,860)</u> | <u>(\$2,051,203 to \$2,132,003)</u> | <u>(\$2,115,294 to \$2,196,902)</u> |
| Estimated Net FTE Change on the General Revenue Fund | 0 or 0.53 FTE | 0 or 1 FTE | 0 or 1 FTE |
| FEDERAL REIMBURSEMENT ALLOWANCE FUND (#0142) | | | |
| <u>Costs - DSS (§§191.940 and 208.151)</u> | | | |
| Program distributions | \$0 to... <u>(\$49,653)</u> | \$0 to... <u>(\$132,327)</u> | \$0 to... <u>(\$136,461)</u> |
| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | <u>\$0 to (\$49,653)</u> | <u>\$0 to (\$132,327)</u> | <u>\$0 to (\$136,461)</u> |

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|--|---------------------------------------|---------------------------------------|
| FEDERAL FUNDS | | | |
| <u>Income</u> - DSS (§§191.940 and 208.151) | \$0 to... | \$0 to... | \$0 to... |
| Program reimbursements | \$1,465,080 | \$3,904,464 | \$4,026,460 |
| MMIS system update reimbursements | <u>\$80,000</u> | <u>\$0</u> | <u>\$0</u> |
| Total <u>Income</u> - DSS | <u>\$80,000 to</u> <u>\$1,545,080</u> | <u>\$0 to \$3,904,464</u> | <u>\$0 to</u> <u>\$4,026,460</u> |
| <u>Income</u> - OA, ITSD (§§191.940 and 208.151) | | | |
| Income Maintenance system changes (ranged from contracting out the programming (\$20,088) to hiring an additional 1 FTE IT Specialist) | \$9,441 or \$31,333 | \$0 | \$0 |
| Reimbursement for MEDES system updates | <u>\$455,544</u> | <u>\$0</u> | <u>\$0</u> |
| Total <u>Income</u> - OA, ITSD | <u>\$464,985 or</u> <u>\$486,877</u> | <u>\$0</u> | <u>\$0</u> |
| <u>Costs</u> - DSS (§§191.940 and 208.151) | \$0 to... | \$0 to... | \$0 to... |
| Program distributions | (\$1,465,080) | (\$3,904,464) | (\$4,026,460) |
| MMIS system modifications (Wipro) | <u>(\$80,000)</u> | <u>\$0</u> | <u>\$0</u> |
| Total <u>Costs</u> - DSS | <u>(\$80,000 to</u> <u>\$1,545,080)</u> | <u>\$0 to</u> <u>(\$3,904,464)</u> | <u>\$0 to</u> <u>(\$4,026,460)</u> |
| <u>Costs</u> - OA, ITSD (§§191.940 and 208.151) | | | |
| Income Maintenance system changes (ranged from contracting out the programming (\$20,088) to hiring an additional 1 FTE IT Specialist) | (\$9,441 or \$31,333) | \$0 | \$0 |
| MEDES system updates (Redmane) | <u>(\$455,544)</u> | <u>\$0</u> | <u>\$0</u> |
| Total <u>Costs</u> - OA, ITSD | <u>(\$464,985 or</u> <u>\$486,877)</u> | <u>\$0</u> | <u>\$0</u> |
| FTE Change - OA, ITSD | 0 or 0.47 FTE | 0 FTE | 0 FTE |
| ESTIMATED NET EFFECT ON FEDERAL FUNDS | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Estimated Net FTE Change on Federal Funds | 0 or 0.47 FTE | 0 FTE | 0 FTE |

| <u>FISCAL IMPACT - Local Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

This proposal could impact small business MO HealthNet mental health providers if postpartum women experiencing depression seek services.

FISCAL DESCRIPTION

Under this act, all hospitals and ambulatory surgical centers that provide labor and delivery services shall provide, prior to discharge, new mothers and, if possible, new fathers and other family members information about postpartum depression, including its symptoms, treatment, and available resources. The Department of Health and Senior Services, in cooperation with the Department of Mental Health, shall provide written information that the hospitals and ambulatory surgical centers may use and shall include such information on its website.

Additionally, health care providers who are providing postnatal care to new mothers until six months following the birth shall invite the woman to complete a questionnaire designed to detect the symptoms of postpartum depression or related mental health disorders and shall review the results in accordance with the formal opinions and recommendations of the American College of Obstetricians and Gynecologists.

Health care providers who are providing pediatric care to an infant shall invite the infant's mother to complete the questionnaire at any well-baby checkup beginning at the infant's one-month checkup until the infant is six months old and shall review the results in accordance with the formal opinions and recommendations of the American College of Obstetricians and Gynecologists, in order to ensure that the health and well-being of the infant are not compromised by undiagnosed postpartum depression or related mental health disorders in the mother. With the mother's consent, the health care provider shall share the results with the mother's primary health care provider or mental health care provider of her choice, unless the health care provider determines the mother presents an acute danger to herself, the infant, or another, in which case the mother's consent shall not be required.

FISCAL DESCRIPTION (continued)

Finally, current law allows certain pregnant women receiving MO HealthNet benefits to continue to be eligible for all pregnancy-related and postpartum benefits for 60 days following the last day of their pregnancy. Under this act, such women who are receiving mental health treatment for postpartum depression or related mental health conditions within 60 days of giving birth shall, subject to appropriations and federal approval, be eligible for MO HealthNet benefits for mental health services for the treatment of postpartum depression and related mental health conditions for up to twelve additional months.

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
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Social Services



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March 12, 2019

Ross Strobe
Assistant Director
March 12, 2019