

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB 826

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Foy

3. Committee: Health, Welfare and Institutions

4. Title: State plan for medical assistance; perinatal birth workers, report

5. Summary: The proposed legislation directs the Board of Medical Assistance Services to amend the state plan for medical assistance services to cover antepartum, intrapartum, and postpartum services provided to a pregnant person by a perinatal birth worker who has education and training in the provision of culturally sensitive care, including services for labor and delivery support and at least four visits during the antenatal period and seven visits during the postpartum period. The bill also directs the Department of Medical Assistance Services (DMAS) to conduct a rate study to determine appropriate reimbursement rates for perinatal birth workers, including services provided by doulas and community health workers, for services provided to Medicaid recipients and to report its findings to the Governor and the General Assembly by December 1, 2020.

6. Budget Amendment Necessary Yes, Items 312, 313 and 317.

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2020	-	-
2021	\$ 1,502,486	General
2021	\$ 2,078,942	Nongeneral
2022	\$ 2,992,447	General
2022	\$ 3,183,335	Nongeneral
2023	\$ 3,700,383	General
2023	\$ 3,936,431	Nongeneral
2024	\$ 3,701,853	General
2024	\$ 3,937,994	Nongeneral
2025	\$ 3,703,177	General
2025	\$ 3,939,403	Nongeneral
2026	\$ 3,704,382	General
2026	\$ 3,940,684	Nongeneral

- 8. Fiscal Implications:** The bill directs DMAS to allow for the payment of medical assistance for services provided to pregnant recipients by perinatal birth workers, including labor and delivery support and at least four prenatal visits and seven postpartum visits. Currently, perinatal birth workers are not provider types regulated or certified in the Commonwealth and the profession is not currently enrolled in Virginia Medicaid.

DMAS reports that a number of things need to be determined before perinatal birth workers could be considered as a provider for Medicaid. For example, Virginia would need to adopt a training and certification standard, determine the scope of services, develop payment rates, and determine how billing and reporting would occur. Until these and other provider enrollment requirements are addressed, DMAS would be unable enroll perinatal birth workers as Medicaid providers or make payments. Moreover, the fiscal impact of this bill cannot be fully determined until the before-mentioned considerations are addressed.

Notwithstanding these issues, for the purpose of this fiscal impact statement, DMAS utilized current claims data for comparable services to develop a preliminary estimate of potential costs. Based on experience with other new programs, such as the ARTS program, DMAS assumes a 24-month ramp-up of Medicaid to build provider networks and for individuals to utilize the new services. As such, DMAS assumes a six percent participation rate in FY 2021 at a cost of \$2,331,427 total funds (\$1,127,486 general fund) and 15 percent participation rate in FY 2022 at a cost of \$6,175,782 total funds (\$2,992,447 general fund).

DMAS also reports that the implementation of this bill would require modifications to the existing Medicaid Management Information System (MMIS) as well as the new Medicaid Enterprise System (MES) modules being developed. DMAS estimates that it would require 200 hours of work to update tables and perform the associated testing in the first year. DMAS estimates that this effort would cost approximately \$1,000,000 total funds (\$250,000 general fund) in fiscal year 2021. Subject to federal approval, DMAS assumes that any additional systems costs would be covered with 75 percent federal funds.

The proposal also requires DMAS to conduct a rate study to determine appropriate reimbursement rates for services provided to Medicaid recipients by perinatal birth workers, including doulas and community health workers. The agency must report its findings to the Governor and the General Assembly by December 1, 2020. DMAS maintains that the agency would need to procure the necessary expertise at an estimated one-time cost of \$250,000 total funds (\$125,000 general fund).

- 9. Specific Agency or Political Subdivisions Affected:**
Department of Medical Assistance Services

- 10. Technical Amendment Necessary:** No

11. Other Comments: The Governor's proposed budget directs the Secretary of Health and Human Resources to convene a workgroup to review and make recommendations, by June 30, 2020, regarding the state regulation of doulas and establishing a community doula benefit for pregnant women enrolled in Medicaid.