

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 6, 2015

TO: Honorable Myra Crownover, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3115** by Coleman (Relating to coverage for certain services relating to postpartum depression under the medical assistance and CHIP perinatal programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3115, As Introduced: a negative impact of (\$2,495,624) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$125,000)
2017	(\$2,370,624)
2018	(\$4,742,350)
2019	(\$4,742,350)
2020	(\$4,742,350)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GR Match For Medicaid 758	Probable (Cost) from Federal Funds 555
2016	(\$125,000)	(\$375,000)
2017	(\$2,370,624)	(\$3,142,455)
2018	(\$4,742,350)	(\$6,283,807)
2019	(\$4,742,350)	(\$6,283,807)
2020	(\$4,742,350)	(\$6,283,807)

Fiscal Analysis

The bill would require Medicaid and the CHIP Perinatal program to provide 12-months of coverage after a woman gives birth for screening and treatment of postpartum depression. The Health and Human Services Commission would be required to seek any necessary federal waiver or authorization and could delay implementation of any provision until waiver or authorization

was granted. The bill would take effect on September 1, 2015.

Methodology

Client services are assumed to begin on September 1, 2016 due to the time necessary to develop policy, adopt rules, and make system changes. Based on birth data from calendar year 2012 (382,438 births), of which 53.8 percent were covered by Medicaid, it is assumed that approximately 205,752 women would be eligible for the services required by the bill. It is assumed that a new reimbursement rate (\$14.60) would be established for providers to perform a screening for postpartum depression and that 50 percent of eligible women (102,876) would receive the screening at a total cost of approximately \$1.5 million each year. Based on estimates of the prevalence of postpartum depression, it is assumed that 10 percent of eligible women (20,575) would receive treatment including psychotherapy and prescription drugs. This estimate assumes each woman would receive six psychotherapy visits and six months of prescriptions at an estimated cost of \$462.90; total annual expenditures for treatment are expected to be \$9.5 million in All Funds. The total estimated annual cost of screening and treatment is estimated to be \$11.0 million in All Funds, including \$4.7 million in General Revenue Funds. It is assumed that 50 percent of the costs associated with the 12 months of postpartum coverage for women giving birth in any fiscal year would be pushed into the following fiscal year, resulting in a 50 percent reduction to estimated costs in fiscal year 2017. The number of women giving birth in CHIP Perinatal is relatively small and the program has a nearly 93 percent federal match in fiscal years 2016 through 2019; the impact to state funds is anticipated to be insignificant.

It is assumed that there would be a one-time cost for systems changes in fiscal year 2016 of \$500,000 (\$125,000 in General Revenue Funds).

Technology

It is assumed that there would be a one-time cost for systems changes in fiscal year 2016 of \$500,000 (\$125,000 in General Revenue Funds).

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: UP, NB, WP, LR, CH