

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 4, 2019

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: SB750 by Kolkhorst (Relating to maternal and newborn health care and the quality of services provided to women in this state under certain health care programs.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time.
--

The bill would require the Higher Education Coordinating Board (HECB) to develop, and publish to their website, best practice guidelines for maternal and neonatal residency training programs. It is assumed any costs associated with implementing this provision can be absorbed within the available resources of HECB.

The bill would require the Health and Human Services Commission (HHSC) to apply for federal funds to implement a model of care to improve quality and accessibility of care for certain pregnant women and their children. It is assumed any costs associated with applying for federal funding can be absorbed within the available resources of HHSC.

The bill would require HHSC, in collaboration with Medicaid managed care organizations (MCOs), to develop and implement a cost-effective, evidence-based program to deliver enhanced prenatal care services to high-risk pregnant women enrolled in Medicaid. According to HHSC, Medicaid currently provides a robust array of services to women with high-risk pregnancies and it is assumed these services would meet the requirements of the bill and therefore there would be no additional cost.

The bill would require HHSC to evaluate postpartum care services provided to women enrolled in the Healthy Texas Women (HTW) program after the first 60 days of the postpartum period and, based on that evaluation, to develop an enhanced, cost-effective, and limited postpartum care services package for women enrolled in HTW to be provided after the first 60 days postpartum. According to HHSC, there would be a significant cost to provide additional services through HTW. The estimated cost would range from \$8.0 million in General Revenue to provide only services to treat postpartum depression to \$15.0 million in General Revenue to also provide screening and treatment for substance use disorder, asthma services, and smoking cessation services. HTW is not an entitlement and any increased cost associated with providing new benefits could result in fewer women being served under the program if additional appropriations were not provided. If the HTW 1115 Waiver receives federal approval, federal matching funds would be available to partially fund services reducing the General Revenue cost by \$4.9 to \$5.0 million in each fiscal year for the lower estimate and \$9.3 million in each fiscal year for the higher estimate.

The bill would require Medicaid MCOs to coordinate the transition of care from Medicaid to HTW and would require HHSC to seek to provide continuity of care during the transition. According to HHSC, managed care premiums would be increased by an estimated \$2 per member per month to cover the costs of for care coordination. Projected enrollment of pregnant women in fiscal year 2021 is 133,729 for an estimated cost of \$1.2 million in General Revenue and \$2.0 million in Federal Funds (\$3.2 million in All Funds) in each fiscal year.

The bill would require HHSC, using money from an available source designated by HHSC and in collaboration with Medicaid MCOs and HTW providers, to develop and implement a postpartum depression treatment network. According to HHSC, the costs associated with this provision cannot be determined.

The bill would require HHSC to develop statewide initiatives to improve the quality of maternal health care services. MCOs contracting with HHSC would be required to incorporate the initiatives into their plans and would be authorized to incorporate additional initiatives. The MCOs would also be required to employ specialized staff trained on social determinants of health and to use available community resources to address maternal health care disparities. HHSC would be required to report to the legislature on the efforts made by MCOs to address maternal health care disparities. The costs associated with these provisions cannot be determined because it is not known whether MCO premiums would be increased related to any of them. It is assumed any costs to HHSC could be absorbed within the available resources of the agency.

The bill would require HHSC to immediately enroll pregnant women in a managed care plan. According to HHSC, there would be increased costs associated with capitation to enroll women in managed care for an additional month but no reduction to medical costs would be expected. Based on fiscal year 2019 managed care premiums, capitation costs could be expected to increase expenditures for pregnant women currently enrolled in fee-for-service by more than 10 percent. Annual fee-for-service costs for pregnant women exceed \$50 million in All Funds. The increased costs of capitation would be expected to exceed \$5.0 million in All Funds each year of which approximately \$1.9 million would be General Revenue.

The bill would rename the Maternal Mortality Task Force as the Texas Maternal Mortality and Morbidity Review Committee. The review committee would be continued until September 1, 2027. The Sunset Advisory Commission would be required to review the committee during the same two-year period the Department of State Health Services is reviewed. According to the Sunset Advisory Commission, no significant fiscal impact is anticipated.

It is assumed provisions related to client services in Medicaid and HTW would be implemented in fiscal year 2021. HHSC estimates additional administrative and systems costs in fiscal year 2020 of \$1.3 million in All Funds, some of which may qualify for federal matching funds.

Local Government Impact

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

Source Agencies: 116 Sunset Advisory Commission, 529 Health and Human Services Commission, 537 State Health Services, Department of, 781 Higher Education Coordinating Board

LBB Staff: WP, AKi, LR, ADe, RD