BDR 38-838
AB 297(R1)

UNSOLICITED

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 30, 2025

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Effect on Future Biennia
Medical Services (Expense)			$662,476	$1,324,952
System Costs (MMIS) (Expense)		$104,720		
Total	0	$104,720	$662,476	$1,324,952

Explanation (Use Additional Sheets of Attachments, if required)

If enacted, this bill would have a fiscal impact on the Division. Specifically, the bill would require Medicaid to cover home visiting programs for eligible pregnant and postpartum mothers and their infants as an optional benefit.

Based on a fiscal analysis by DHCFP, the bill would result in a total of $280,842 in new General Fund expenditures in the upcoming biennium. A portion of these expenditures would be used to fund administrative costs associated with these changes, including $26,180 for systems-related changes.

This fiscal analysis assumes that utilization would mirror the current utilization of the grant-funded home visiting program led by the Department of Public and Behavioral Health. It was assumed that patient and provider participation in the program would increase over time from the current grant funded totals with Medicaid financing available. A daily reimbursement rate and average monthly visit counts were estimated based on the average cost of delivering home visits. A 10% rural enhancement was applied for services delivered to mothers in rural counties. A 12-month ramp up period is applied following the July 1st, 2026 effective date due to the implementation and Federal approval timeline required.

In sum, adding Medicaid coverage for home visiting would result in $26,180 in new General Fund costs for Medicaid for FY26 and $254,662 in FY27. Additionally, $486,354 would be paid for with federal Title XIX funds in the FY26-27 biennium.

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Fiscal Impact Analysis

Division of Health Care Financing and Policy
Home Visiting (Pregnancy, Postpartum, Children 2 and Under
Analysis Summary

Per Visit Rate

$115.00

Rural Enhancement

10%

Average Visits per Month (Pregnancy/Postpartum/Infants)

2.32

Average Visits per Month (Children 1-2)

2

Estimated Fiscal Impact FY24-FY25 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY24	$0	$0	$0	$0
FY25	$0	$0	$0	$0
Total	$0	$0	$0	$0

Estimated Fiscal Impact FY26-FY27 Biennium

State Fiscal Year	Total Computable	Federal Funds	General Fund	County Funds
FY26	$0	$0	$0	$0
FY27	$662,476	$407,814	$254,662	$0
Total	$662,476	$407,814	$254,662	$0

Percent of population participating	FY25	0.0%	FY26	1.000%
Number of participants	Y1	0	Y2	968

Description of Budget Concept

This analysis estimates the cost of implementing a home visiting program for pregnant/postpartum individuals and children under the age of 2. Home visits would be conducted by an LPN or RN.

Methodology

1) A population size was estimated by determining the number of patients who are pregnant (using the CH/P aid code) and the number of patients aged 2 and under. The reimbursement rate for doula services was increased to estimate the total rate per visit (as LPNs/RNs have additional education and training). A rural enhancement was also created to incentivize providers to perform home visits in rural locations.

2) Patient by Category counts were captured by running a report out of the MMIS to include FFS patients and Managed Care (MCO) patients.

3) Costs were calculated for a small portion of the population as it will take time to scale up this program. Currently, existing programs are paid via grant funding and serve 400-500 patients; not all providers may want to participate in Medicaid. It was assumed that patient and provider participation in the program would increase from the current grant funded totals with Medicaid financing available. Estimates were used to determine the percentage of the total population who would receive home visiting services.

4) The Division also estimated the number of visits that would occur each month for each population using data from the Nurse-Family Partnership Model.

5) The total cost was determined by multiplying the expected number of patients by the daily rate and number of visits per month (extrapolated up to a year).
6) Total computable expenditures are grown forward based on the DHHS Office of Analytics caseload projections.

7) FMAP rates were applied to determine the federal share of estimated costs. Note that the COVID-19 enhanced FMAP (+6.2%) for Medicaid is used through March 31, 2023. Enhanced COVID FMAP amounts are tiered down across CY 2023 to align with the 2023 Federal FY Omnibus Appropriations Bill, which allows the following enhanced FMAP amounts: 6.2% (CY23 Q1); 5.0% (CY23 Q2); 2.5% (CY23 Q3); 1.5% (CY23 Q4).

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	Total			General Fund			Authorized Funds		
	FY26	FY27	Biennium	FY26	FY27	Biennium	FY26	FY27	Biennium
Medical Services	$0	$662,476	$662,476	$0	$254,662	$254,662	$0	$407,814	$407,814
Actuarial Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0
Systems Costs	$104,720	$0	$104,720	$26,180	$0	$26,180	$78,540	$0	$78,540
Vendor Support	$0	$0	$0	$0	$0	$0	$0	$0	$0
MCO Contract	$0	$0	$0	$0	$0	$0	$0	$0	$0
Personnel Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
Personnel Services (Prof	$0	$0	$0	$0	$0	$0	$0	$0	$0
In-State Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
Information Services	$0	$0	$0	$0	$0	$0	$0	$0	$0
Training	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	$104,720	$662,476	$767,196	$26,180	$254,662	$280,842	$78,540	$407,814	$486,354