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## FISCAL IMPACT REPORT

**SPONSOR** Ortiz y Pino **ORIGINAL DATE** 2/8/16  
**LAST UPDATED** 2/12/16 **HB** \_\_\_\_\_

**SHORT TITLE** Medicaid Birthing Options Program **SB** 291/aSPAC

**ANALYST** Chilton

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$100.0	\$100.0	\$200.0	Recurring	Federal Matching Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

#### Responses Not Received From

Medical Board (MB)

Board of Nursing (BN)

### SUMMARY

#### Synopsis of Senate Public Affairs Committee Amendment

Adds the birth option of delivery by a licensed (non-nurse) midwife to the birth options to be considered by the Medicaid Birth Options Program, and defines that term.

Synopsis of Original Bill

Senate Bill 291 appropriates \$100 thousand from the general fund to the Human Services Department for the purpose of establishing the position of “Medicaid birthing program options program director,” who would manage a new Medicaid birthing options program for those who wish to consider options for births outside the hospitals.

**FISCAL IMPLICATIONS**

The appropriation of \$100 thousand contained in this bill is recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2017 shall revert to the general fund.

HSD notes that these funds would be matched with federal funds:

“The cost of one full-time equivalent (FTE) would be approximately \$65 thousand annually. The state appropriation for a position would have a federal match rate of 50 percent, resulting in an additional maximum operating budget impact of \$100 thousand from the federal share.”

HSD further states that “Since the funding is non-recurring, the position will not have a funding source in SFY18 and will need to be eliminated or funded from a recurring source.” However, since the bill does not specify that this program would only exist for one year, this must be considered a recurring appropriation, which would be matched by an equal contribution from federal funds.

**SIGNIFICANT ISSUES**

The Medicaid birthing options program director would be charged with:

1. Developing the options program for Medicaid and fee-for-service patients
2. Serving as ombudsman for providers of alternative birthing options
  - a. Ensuring prompt payment for those providers
  - b. Investigating and responding to provider complaints
  - c. Ensuring that claims against these providers are adjudicated fairly
3. Overseeing the performance of managed care vendors of Medicaid birthing options.

DOH notes that

HSD established a Medicaid birthing options program in 2006, and the program remains in operation. The existing New Mexico Medicaid Birthing Options Program allows access by Medicaid-eligible pregnant women to a variety of providers and locations for the birth, including a hospital, a birthing center, or at home with the assistance of a midwife.

SB291 would require the program director to assure that providers who participate in the program receive timely payment of claims, and to oversee the performance of managed care vendors pursuant to the program.

It is unclear how the Medicaid birthing options program proposed by SB 291 would relate to the existing HSD Medicaid birthing options program, or what the associated administrative burden might be.

### **ADMINISTRATIVE IMPLICATIONS**

It is not clear how the position created, Medicaid Birthing Programs Options Program Director, would interact with the existing Medicaid Birthing Options Program.

### **TECHNICAL ISSUES**

SB 291 specifies that a certified nurse-midwife would be covered by the provisions of the Medicaid Birthing Options Program, not mentioning lay-midwives [licensed midwives were added in the SPAC amendment], physicians (e.g., obstetricians and family physicians) nurse practitioners and physician assistants. These other types of practitioners are currently covered by HSD's Birth Options Program.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The current Birthing Options Program would continue to support these services, including a wider range of provider types, when chosen by patients.

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