

Individual State Agency Fiscal Note

Revised

| | | |
|-----------------------------|--|---|
| Bill Number: 5580 SB | Title: Maternal health outcomes | Agency: 107-Washington State Health Care Authority |
|-----------------------------|--|---|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------|----------------|----------------|------------------|------------------|------------------|
| FTE Staff Years | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Account | | | | | |
| General Fund-State 001-1 | 431,000 | 432,000 | 863,000 | 864,000 | 864,000 |
| General Fund-Federal 001-2 | 202,000 | 202,000 | 404,000 | 404,000 | 404,000 |
| Total \$ | 633,000 | 634,000 | 1,267,000 | 1,268,000 | 1,268,000 |

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

| | | |
|-------------------------------------|-----------------------|------------------|
| Legislative Contact: Julie Tran | Phone: 360-786-7283 | Date: 02/01/2023 |
| Agency Preparation: Melinda Helberg | Phone: 360-725-0000 | Date: 02/16/2023 |
| Agency Approval: SUMAN MAJUMDAR | Phone: 360-725-1319 | Date: 02/16/2023 |
| OFM Review: Jason Brown | Phone: (360) 742-7277 | Date: 02/17/2023 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|---------------|---------|----------------|----------------|------------------|------------------|------------------|
| 001-1 | General Fund | State | 431,000 | 432,000 | 863,000 | 864,000 | 864,000 |
| 001-2 | General Fund | Federal | 202,000 | 202,000 | 404,000 | 404,000 | 404,000 |
| Total \$ | | | 633,000 | 634,000 | 1,267,000 | 1,268,000 | 1,268,000 |

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|----------------|----------------|------------------|------------------|------------------|
| FTE Staff Years | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| A-Salaries and Wages | 221,000 | 221,000 | 442,000 | 442,000 | 442,000 |
| B-Employee Benefits | 78,000 | 79,000 | 157,000 | 158,000 | 158,000 |
| C-Professional Service Contracts | 30,000 | 30,000 | 60,000 | 60,000 | 60,000 |
| E-Goods and Other Services | 206,000 | 206,000 | 412,000 | 412,000 | 412,000 |
| G-Travel | | | | | |
| J-Capital Outlays | | | | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | 98,000 | 98,000 | 196,000 | 196,000 | 196,000 |
| 9- | | | | | |
| Total \$ | 633,000 | 634,000 | 1,267,000 | 1,268,000 | 1,268,000 |

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

| Job Classification | Salary | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--|---------|---------|---------|---------|---------|---------|
| FISCAL ANALYST 3 | 65,000 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| IT DATA MANAGEMENT - SENIOR/SPECIALIST | 111,000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| MEDICAL ASSISTANCE PROGRA SPECIALIST 3 | 83,000 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| MEDICAL ASSISTANCE SPECIALIST 3 | 54,000 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total FTEs | | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 2(3) will require new rules with passage of this legislation.

HCA Fiscal Note

Bill Number: 5580 SB

HCA Request #: 23-096

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Section 1 is a new section that allows extended post-delivery hospital stays by at least 5 days for birth parents with substance use disorder at the time of delivery, providing behavioral health and social care for the birth parent and child.

Section 2 is a new section and requires the Washington State Health Care Authority (HCA) to: update the maternity support services program to address perinatal outcomes and increase equity and healthier birth outcomes; update current screening tools to be culturally relevant; ensure care coordination with the patient's health care providers; develop a mechanism to collect the results and evaluate outcomes of the maternity support services screenings to identify strengths and weaknesses and recommend program improvements; and increase utilization of services for eligible clients.

Section 3 is a new section adding the income standards for a pregnant woman eligible for Washington Apple Health pregnancy coverage shall have countable income equal to or below 210 percent of the federal poverty level (FPL).

Section 4 amends RCW 74.09.830 so the After Pregnancy Care program income limits increase to 210% FPL (from 193 percent).

II. B - Cash Receipts Impact

Indeterminate.

II. C – Expenditures

The fiscal impact is greater than \$50,000 but indeterminate to actual cost.

This bill includes three distinct changes of which the fiscal impact of two are indeterminate and one is estimated with assumptions. As a result, the fiscal impact of this bill as a whole is indeterminate.

This bill requires HCA to:

- Section 1(1): Create a post-delivery and transitional care program that allows for extended post-delivery hospital care for women with a substance use disorder (SUD) at the time of delivery.
- Section 2(2): (a) Update current screening tools; (b) ensure care coordination; (c) develop a mechanism for collecting screening results and for program evaluation; and (d) increase utilization of services for eligible clients within the maternity support services (MSS) program.
- Section 3 and 4(2)(a): Increase the income standards for pregnant women eligible for Apple Health pregnancy coverage up to 210% FPL.

Creating a post-delivery and transitional care program

This bill requires HCA to allow for at least five additional days of hospitalization stay for the birth parent under the postdelivery and transitional care program. While the minimum is set by the bill, the nature of the potential future utilization is unknown. In addition, as the program model has not yet been developed, the costs related to specific services cannot be determined at this time. The fiscal impact of this change is therefore indeterminate.

HCA Fiscal Note

Bill Number: 5580 SB

HCA Request #: 23-096

As a point of reference, the total annual fiscal impact of allowing for five additional days of hospitalization for clients with an untreated substance use disorder (SUD) diagnosis at the time of delivery, assuming the services provided under this bill's proposed program would be similar to those available through the Substance-Using Pregnant People (SUPP) program, was estimated to be \$2,915,848 with a General Fund State (GF-S) cost of \$1,064,425. This impact was estimated as the product of the number of clients expected to utilize this program, five additional days of care, and the average per diem rate hospitals would receive for providing said care. This estimate only considered costs associated with treating the birth parent and it was assumed that baby would already be receiving additional days of treatment due to the effects of substance use during the pregnancy.

Updating the maternity support services program

Including client risk factors in the screening tool used in the MSS program could have implications for the number of clients participating and the number of units available to those clients. Changes to the screening tool and the allowable units may also incentivize more providers to provide MSS services and more clients to seek the services provided. Currently, screening results are not reported to HCA. Without the official records of screening results, HCA is unable to estimate the number of clients in each risk category and further evaluate the needs of the program. Finally, while it is possible to adopt strategies to potentially enhance utilization, it is not possible for HCA to guarantee increased utilization of services by clients. As a result, the fiscal impact of this proposed policy change is indeterminate.

Increasing the income limit for Apple Health pregnancy coverage

Expanding the Apple Health pregnancy coverage by increasing the eligible income limit from 193% to 210% of FPL is expected to increase enrollment and service utilization. HCA estimated the potential cost as the product of the estimated number of additional clients receiving pregnancy coverage and the average monthly cost of those clients. It was assumed that the policy will be effective July 1, 2023, and that full enrollment maturity will be achieved in 24 months from the start date with total caseload growth evenly distributed across those months.

The total service-related fiscal impact of the proposed policy is estimated to be \$480,207 in FY 2024, \$2,638,098 in FY 2025, and \$3,465,925 in each year thereafter. The GF-S costs are estimated to be \$292,053 for FY 2024, \$1,601,871 for FY 2025, and \$2,104,533 for each of the following years.

Data Governance Resources

Total costs are indeterminate but known costs are estimated to be \$1,267,000 (\$863,000 GF-S) and 2.5 Full Time Equivalent (FTE) staff in the 2023-2025 biennium and then \$634,000 (\$432,000 GF-S) per year thereafter.

To implement the data collection solution required by Section 2 this bill, HCA will need to purchase additional licensing:

- Edifecs Licensing Costs: 40,000 additional transactions to be ingested by Edifecs will cost approximately \$30,000 per year for increased licensing to implement the data collection solution required by Section 2 this bill.

HCA Fiscal Note

Bill Number: 5580 SB

HCA Request #: 23-096

Section 2(2)(c) requires HCA to evaluate the outcomes of the program. The First Steps Data team, within HCA would need to complete an evaluation for the MSS program. Implementation would require a geospatial analysis tool and staff support for managing data sources.

- Previous MSS analysis used ArcGIS to evaluate spatial access to MSS providers. If a similar geospatial analysis requires that particular tool, HCA estimates a yearly cost of \$200,000.

1.0 FTE IT Data Management – Senior/Specialist (permanent). To manage multiple data sets, including the new screening tool data; provide technical assistance to data submitters, advise the construction of datasets to support the program's analytic needs required in Section 2 of this bill. Annual salary and benefit cost \$147,000.

1.0 FTE Medical Assistance Program Specialist 3 (permanent). To lead the development, implementation and management of new post-delivery and transitional care program required in Section 1 of this bill. Annual salary and benefit cost \$113,000.

0.5 FTE Medical Assistance Specialist 3 (permanent). To manage eligibility for expected increase in post eligibility determinations and customer service supports for increase to the overall Medicaid caseload. Annual salary and benefit cost \$40,000.

Administration

0.8 FTE Fiscal Analyst 3 to support administration costs.

Administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan and are capture and/or included as Fiscal Analyst 3 classification.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Section 2(3) will require new rules with passage of this legislation.