

Individual State Agency Fiscal Note

Bill Number: 5580 2E 2S SB	Title: Maternal health outcomes	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2		4,167,000	4,167,000	11,422,000	11,876,000
Total \$		4,167,000	4,167,000	11,422,000	11,876,000

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	5.0	2.5	5.0	5.0
Account					
General Fund-State 001-1	0	2,975,000	2,975,000	9,775,000	10,650,000
General Fund-Federal 001-2	0	4,167,000	4,167,000	11,422,000	11,876,000
Total \$	0	7,142,000	7,142,000	21,197,000	22,526,000

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: Sandy Stith	Phone: 786-7710	Date: 01/19/2024
Agency Preparation: Michael Grund	Phone: 360-725-1949	Date: 01/30/2024
Agency Approval: SUMAN MAJUMDAR	Phone: 360-725-1319	Date: 01/30/2024
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/08/2024

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.

Please see attached.

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.

Please see attached.

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.

Please see attached.

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	0	2,975,000	2,975,000	9,775,000	10,650,000
001-2	General Fund	Federal	0	4,167,000	4,167,000	11,422,000	11,876,000
Total \$			0	7,142,000	7,142,000	21,197,000	22,526,000

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		5.0	2.5	5.0	5.0	
A-Salaries and Wages		441,000	441,000	882,000	882,000	
B-Employee Benefits		157,000	157,000	314,000	314,000	
C-Professional Service Contracts						
E-Goods and Other Services		290,000	290,000	580,000	580,000	
G-Travel		12,000	12,000	24,000	24,000	
J-Capital Outlays						
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services		6,067,000	6,067,000	19,047,000	20,376,000	
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements		175,000	175,000	350,000	350,000	
9-						
Total \$		0	7,142,000	7,142,000	21,197,000	22,526,000

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
ADMINISTRATIVE ASSISTANT 4	62,000		0.5	0.3	0.5	0.5
IT DATA MANAGEMENT - SENIOR/SPECIALIST	115,000		1.0	0.5	1.0	1.0
MEDICAL ASSISTANCE PROGRA SPECIALIST 3	87,000		1.0	0.5	1.0	1.0
MEDICAL ASSISTANCE SPECIALIST 2	51,000		0.5	0.3	0.5	0.5
MEDICAL ASSISTANCE SPECIALIST 3	59,000		1.0	0.5	1.0	1.0
WMS BAND 02	123,000		1.0	0.5	1.0	1.0
Total FTEs			5.0	2.5	5.0	5.0

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.

Please see attached.

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

ACCOUNT	REV SOURCE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
General Fund-Federal 001-2	0393	-	4,167,000	5,505,000	5,917,000	5,938,000	5,938,000	4,167,000	11,422,000	11,876,000
REVENUE - TOTAL \$		\$ -	\$ 4,167,000	\$ 5,505,000	\$ 5,917,000	\$ 5,938,000	\$ 5,938,000	\$ 4,167,000	\$ 11,422,000	\$ 11,876,000

Estimated Operating Expenditures from:

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

	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FTE Staff Years	0.0	5.0	5.0	5.0	5.0	5.0	2.5	5.0	5.0
ACCOUNT									
General Fund-State 001-1	-	2,975,000	4,490,000	5,285,000	5,325,000	5,325,000	2,975,000	9,775,000	10,650,000
General Fund-Federal 001-2	-	4,167,000	5,505,000	5,917,000	5,938,000	5,938,000	4,167,000	11,422,000	11,876,000
ACCOUNT - TOTAL \$		\$ -	\$ 7,142,000	\$ 9,995,000	\$ 11,202,000	\$ 11,263,000	\$ 7,142,000	\$ 21,197,000	\$ 22,526,000

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.

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

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.

This bill relates to improving maternal health outcomes. The Washington State Health Care Authority (HCA) assumes this bill will have an indeterminate fiscal impact.

Section 1 adds a new section to RCW 74.09. By January 1, 2025, HCA shall create a postdelivery and transitional care program that allows for extended postdelivery hospital care for people with a substance use disorder at the time of delivery. HCA shall:

- a) Allow for up to five additional days of hospitalization stay.
- b) Provide access to integrated care and medical services.
- c) Provide access to social work support.
- d) Allow dedicated time for health professionals to assist in facilitating early bonding.
- e) Establish provider requirements.

Section 2 adds a new section to RCW 74.09. By January 1, 2025, HCA shall update the maternity support services (MSS) program to address perinatal outcomes and increase equity and healthier birth outcomes. HCA shall:

- a) Update current screening tools.
- b) Ensure care coordination.
- c) Collect results and evaluate outcomes.
- d) Increase the allowable benefit and reimbursement rates.

Section 3 adds a new section to RCW 74.09. By November 1, 2024, the income standards for a pregnant person eligible for Washington apple health pregnancy coverage shall have countable income equal to or below 210 percent of the federal poverty level.

Section 4 amends RCW 74.09.830. By November 1, 2024, the income standards for a postpartum person eligible for Washington apple health pregnancy or postpartum coverage shall have countable income equal to or below 210 percent of the federal poverty level.

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. Distinguish between one time and ongoing functions.

HCA assumes administrative costs would be eligible for a federal match rate of 47.35 percent.

ACCOUNT	REV SOURCE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
General Fund-Federal 001-2	0393	-	4,167,000	5,505,000	5,917,000	5,938,000	5,938,000	4,167,000	11,422,000	11,876,000
REVENUE - TOTAL \$		\$ -	\$ 4,167,000	\$ 5,505,000	\$ 5,917,000	\$ 5,938,000	\$ 5,938,000	\$ 4,167,000	\$ 11,422,000	\$ 11,876,000

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

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. Distinguish between one time and ongoing functions.

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

Administrative Fiscal Impact

Administration costs are estimated to be \$1,075,000 (\$566,000 GF-S) and 5.0 Full Time Equivalent (FTE) staff per year.

Section 1 requires HCA to create a postdelivery and transitional care program that allows for extended postdelivery hospital care for people with a substance use disorder at the time of delivery.

- 1.0 FTE Medical Assistance Program Specialist 3 (permanent) - To lead the development, implementation, and management of the new postdelivery and transitional care program.

Section 2(1)(c) requires HCA to develop a mechanism to collect the results of the MSS screenings and evaluate the outcomes of the MSS program. The evaluation shall identify gaps, strengths, and weaknesses of the program, and make recommendations for how the program may improve to better align with maternal and infant health initiatives.

- Edifecs Licensing Costs (ongoing) - HCA's enterprise data collection solution is the licensed Edifecs Structured Data Capture (SDC) platform. Estimated annual volume for additional screenings that would be collected is 40,000 per year and cost approximately \$30,000 per year.
- ArcGIS Geospatial Analysis Tool (ongoing) - A geospatial analysis tool, such as ArcGIS, would be needed to evaluate access to MSS program providers. The estimated cost is \$200,000 per year.
- 1.0 FTE IT Data Management-Senior/Specialist (permanent) - To guide the development of analytic tables using multiple data sets, including the new screening tool data; identify and develop action plans for data quality and completeness issues; provide technical assistance to data submitters; determine data acquisition and management activities needed to support the program's analytic needs.
- 1.0 FTE Data Analyst (WMS2) (permanent) - To study the outcomes and impacts of the maternity support services program; analyze data to support the identification of gaps, strengths, and weaknesses of the program; develop visualizations to guide decision-making; provide operational reports for program staff and external inquiries.
- 0.5 FTE Administrative Assistant (permanent) - To provide administrative support for program and data staff; schedule meetings with data submitters and partners; coordinate documents and materials for program needs; develop meeting agendas and action items tracking; provide data entry for tracking of required reporting.
- 0.5 FTE Medical Assistance Specialist 2 (permanent). Increase in time and costs associated with drafting and distributing communication to Tribes, scheduling and conducting meetings.

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

Sections 3 and 4(3) set the eligibility income standards equal to or below 210 percent of the federal poverty level (FPL) for Washington Apple Health pregnancy or postpartum coverage.

- 1.0 FTE Medical Assistance Specialist 3 (permanent). To process the additional Post Eligibility Reviews that will generate from the FPL increase and the addition of the After Pregnancy Care program.

Goods and services, travel, and equipment are calculated on actual program averages per FTE. Administrative costs are calculated at \$35,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan.

Apple Health Service-Related Costs (Indeterminate)

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

- Creating a post-delivery and transitional care program (Determinate):

This bill requires HCA to allow for up to five additional days of hospitalization stay for the birth parent under the proposed postdelivery and transitional care program. While the program model has not yet been developed, HCA assumes that the services provided under this bill's proposed program would be similar to those available through the Substance-Using Pregnant People (SUPP) program. It is currently expected that this program would be carved out of managed care and be administered fee-for-service like the current SUPP program. HCA also assumes that, on average, clients would utilize four additional days of hospitalization in this program.

This fiscal impact, with the above-mentioned assumptions, was estimated as the product of the number of clients expected to utilize this program, four additional days of care, and the average per diem rate hospitals would receive for providing the said care. This estimate only considered costs associated with treating the birth parent and it is assumed that the baby would already be receiving additional days of treatment due to the effects of substance use during pregnancy. With requirement to start the program by January 1, 2025, the total service-related impact in fiscal year 2025 (six months) was estimated to be \$1,330,051 with a General Fund State (GF-S) cost of \$512,033. For future fiscal years, the total annual service-related impact was estimated to be \$2,660,101 with a GF-S cost of \$1,024,065.

- Updating the maternity support services program (Indeterminate):

This bill requires the inclusion of client risk factors in the screening tool used in the maternity support services program (MSS) program. This can 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. The bill also requires HCA to increase the allowable benefit and reimbursement rates for clients receiving services through the Maternity Support Services (MSS) program. Since the bill language does not provide specific directions for benefit structure or rate changes, the fiscal impact of this proposed policy change is indeterminate.

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

To provide a sense of the potential fiscal impact, HCA considered a hypothetical scenario which included the following changes to the MSS program structure, allowable benefit limits, and payment rates.

- Changing the current three-tier structure to a two-tier structure allowing for 16 units (4 hours) for clients screened in at no, low, or moderate risk and 32 units (8 hours) for those screened at high risk during the pregnancy.
- Providing an additional 8 units (2 hours) for those screened at no, low or moderate risk and 16 units (4 hours) for those screened as high risk to be used specifically after delivery and through the 60-day postpartum period.
- Providing up to an additional four units (one hour) to only be used for an initial screening provided by a registered nurse, certified dietitian, or behavioral health specialist. The four units would be separate from the allowed number of units based on risk.
- Allowing an additional six units (1.5 hours) for a home visit only, preferably by a registered nurse, to be used within three to four weeks after delivery. The six units would be separate from the allowed number of units based on risk.
- Increasing current reimbursement rates by \$10 per unit.

Additionally, HCA assumes this program would continue to be carved out of managed care and be administered fee-for-service like the current MSS program.

The fiscal impact of these changes was estimated as the difference between base utilization at current reimbursement rates and the increased utilization levels at increased rates. The change in reimbursement rates had no impact for encounter rate eligible utilization. The total annual service-related fiscal impact of the above-mentioned changes to the MSS program was estimated to be \$4,633,334, with a GF-S cost of \$1,828,251.

- Increasing the income limit for Apple Health pregnancy coverage (Determinate):

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 November 1, 2024, 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 was estimated to be \$104,000 in FY 2025, \$1,627,000 in FY 2026, \$2,834,000 in FY 2027, and \$2,895,000 in each year thereafter. The GF-S costs were estimated to be \$69,000 for FY 2025, \$1,072,000 in FY 2026, \$1,867,000 in FY 2027, and \$1,907,000 in each year thereafter.

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	-	2,975,000	4,490,000	5,285,000	5,325,000	5,325,000	2,975,000	9,775,000	10,650,000
001-2	General Fund	Federal	-	4,167,000	5,505,000	5,917,000	5,938,000	5,938,000	4,167,000	11,422,000	11,876,000
ACCOUNT - TOTAL \$			\$ -	\$ 7,142,000	\$ 9,995,000	\$ 11,202,000	\$ 11,263,000	\$ 11,263,000	\$ 7,142,000	\$ 21,197,000	\$ 22,526,000

III. B - Expenditures by Object Or Purpose

OBJECT	OBJECT TITLE	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
A	Salaries and Wages	-	441,000	441,000	441,000	441,000	441,000	441,000	882,000	882,000
B	Employee Benefits	-	157,000	157,000	157,000	157,000	157,000	157,000	314,000	314,000
E	Goods and Other Services	-	290,000	290,000	290,000	290,000	290,000	290,000	580,000	580,000
G	Travel	-	12,000	12,000	12,000	12,000	12,000	12,000	24,000	24,000
N	Grants, Benefits & Client Services	-	6,067,000	8,920,000	10,127,000	10,188,000	10,188,000	6,067,000	19,047,000	20,376,000
T	Intra-Agency Reimbursements	-	175,000	175,000	175,000	175,000	175,000	175,000	350,000	350,000
OBJECT - TOTAL \$		\$ -	\$ 7,142,000	\$ 9,995,000	\$ 11,202,000	\$ 11,263,000	\$ 11,263,000	\$ 7,142,000	\$ 21,197,000	\$ 22,526,000

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

FTE JOB TITLE	SALARY	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
ADMINISTRATIVE ASSISTANT 4	62,000	0.0	0.5	0.5	0.5	0.5	0.5	0.3	0.5	0.5
IT DATA MANAGEMENT - SENIOR/SPECIALIST	115,000	0.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0	1.0
MEDICAL ASSISTANCE PROGRAM SPECIALIST 3	87,000	0.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0	1.0
MEDICAL ASSISTANCE SPECIALIST 2	51,000	0.0	0.5	0.5	0.5	0.5	0.5	0.3	0.5	0.5
MEDICAL ASSISTANCE SPECIALIST 3	59,000	0.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0	1.0
WMS BAND 02	123,000	0.0	1.0	1.0	1.0	1.0	1.0	0.5	1.0	1.0
ANNUAL SALARY & FTE - TOTAL \$		\$ 497,000	0.0	5.0	5.0	5.0	5.0	2.5	5.0	5.0

III. D - Expenditures By Program (optional)

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.

HCA Fiscal Note

Bill Number: **5580 2E2SSB**

HCA Request #: **24-081**

Title: **Maternal Health Outcomes**

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(2) requires HCA to adopt new rules to implement changes to the MSS program.