

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	HCS SB 58(FIN)
Fiscal Note Number:	3
(H) Publish Date:	4/28/2023

Identifier: HCSSB058(FIN)-DOH-MS-04-27-2023
 Title: MEDICAID ELIGIBILITY: POSTPARTUM
 MOTHERS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: House Finance

Department: Department of Health
 Appropriation: Medicaid Services
 Allocation: Medicaid Services
 OMB Component Number: 3234

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates					
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits			14,388.7	14,388.7	14,388.7	14,388.7	14,388.7	14,388.7
Miscellaneous								
Total Operating	0.0	0.0	14,388.7	14,388.7	14,388.7	14,388.7	14,388.7	14,388.7

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)			10,237.6	10,237.6	10,237.6	10,237.6	10,237.6
1003 GF/Match (UGF)			4,151.1	4,151.1	4,151.1	4,151.1	4,151.1
Total	0.0	0.0	14,388.7	14,388.7	14,388.7	14,388.7	14,388.7

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
 (Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/24

Why this fiscal note differs from previous version/comments:

CSSB 58(HFIN) Section 1 was amended to expand the Federal Poverty Rate from 200 percent to 225 percent applicable to the postpartum eligibility category; this fiscal note added \$5,348.7 to include this coverage.

Prepared By: Terra Serpette
 Division: Medicaid Services
 Approved By: Josephine Stern, Assistant Commissioner
 Agency: Department of Health

Phone: (907)465-6333
 Date: 04/27/2023
 Date: 04/27/23

**REPORTED OUT OF
HFC 04/27/2023**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

This legislation intends to authorize the Department of Health to implement section 9812 of the American Rescue Plan Act (ARPA) of 2021 provision allowing all states an option to extend the postpartum coverage period under Medicaid from 60 days following pregnancy to a full year. Medicaid is currently required to cover pregnant women through 60 days postpartum. ARPA allows states to extend this to one year by filing a State Plan Amendment (SPA). In addition to filing a SPA, exercising this option would require this legislation to be passed to modify AS 47.07.020 as this would be a new optional eligibility group not covered by one of the existing categories.

Most women who lose Medicaid eligibility following the postpartum period in Alaska are likely eligible for either parent Medicaid coverage based on income levels, or subsidized Marketplace coverage. However, in practice, gaps in coverage occur leading to discontinuity of care. Medicaid data identified pregnant/postpartum beneficiaries who lost or experienced a gap in coverage, of these beneficiaries who lost and did not regain coverage; many beneficiaries experienced a gap in coverage.

Health Care Services identified pregnancy spans and has calculated a projected cost analysis for coverage for members who either lost coverage or had gaps in coverage. A break in coverage was taken to be anyone whose pregnancy span ended and did not have subsequent eligibility the following month. The potential additional cost for individuals experiencing gaps in coverage was calculated using the average cost multiplied by the gap in coverage. These estimates are based on pre-pandemic eligibility determinations, prior to continuous enrollment. The estimated total cost for providing ten months additional postpartum care for those who otherwise lost or had a gap in coverage is estimated at \$9,040.0 annually.

The Division of Public Assistance used Department of Labor statistics that of approximately 7,000 total women, between the ages of 15 to 45 would be eligible for Medicaid with the increase in Federal Poverty Level (FPL) from 200 percent to 225 percent. Based on the Division of Public Health's estimated fertility rate at 64.3 births per 1000 it is estimated there will be 450 women that qualify for this coverage. This new eligibility category covers nine months of pregnancy services and delivery, and twelve months of postpartum. The total cost for providing this additional coverage is estimated at \$5,348.7 annually.

Health Care Services will require system changes to accommodate the new benefit categories, but can absorb these costs through current contract modification hours in the first year.

Amends the uncodified law to establish the requirement that the commissioner of health notifies the revisor of statutes within 30 days of federal approval of the state plan amendment. This provision takes effect only if federal approval occurs before July 1, 2027.

Establishes that the postpartum extension takes effect on the day after the date the commissioner notifies the revisor of statutes as described above. Promulgation of associated regulations will occur concurrently with state plan amendment with an implementation anticipated on July 1, 2024.