

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 650** HLS 22RS 930

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 18, 2022 8:53 AM	Author: HILFERTY
Dept./Agy.: LDH	Analyst: Shawn Hotstream
Subject: Medicaid coverage	

MEDICAID OR +\$2,989,128 GF EX See Note
Provides for Medicaid coverage of prescription breast milk

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Proposed law provides the Louisiana Department of Health to provide Medicaid coverage benefits for medically necessary pasteurized donor breast milk upon prescription of an infant's pediatrician stating that the infant Medicaid beneficiary is medically or physically unable to receive maternal breast milk or participate in breast feeding, or the infant's mother is medically or physically unable to produce maternal breast milk in sufficient quantities.

Proposed law provides that LDH may seek approval of a federal Medicaid waiver and state plan amendments as necessary to implement this benefit.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$2,989,128	\$2,774,950	\$2,835,794	\$2,899,557	\$2,963,320	\$14,462,749
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$275,022	\$561,924	\$573,804	\$586,278	\$598,752	\$2,595,780
Federal Funds	\$6,812,250	\$6,966,326	\$7,120,402	\$7,281,765	\$7,443,128	\$35,623,871
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$10,076,400	\$10,303,200	\$10,530,000	\$10,767,600	\$11,005,200	\$52,682,400

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$275,022	\$561,924	\$573,804	\$586,278	\$598,752	\$2,595,780
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$275,022	\$561,924	\$573,804	\$586,278	\$598,752	\$2,595,780

EXPENDITURE EXPLANATION

Extending Medicaid coverage for donated breast milk is anticipated to result in approximately \$10.1 M in Medicaid expenditures in FY 23 and future fiscal years. LDH indicates such coverage is offered initially after birth in an inpatient setting. This measure provides the benefit under certain conditions outside of the hospital setting. The cost reflected in the expenditure table above is based on the following assumptions and calculations:

1. 933 estimated eligible babies annually (based on annual count of low birth rate babies)
2. 20 ounces of milk consumed daily
3. Cost of \$3 per ounce of milk
4. received for up to a period of 180 days. (933 babies x 20 ounces x \$3 per ounce x 180 days = \$10,076,400)
5. approximately 2% utilization increase in the outyears

REVENUE EXPLANATION

Statutory Dedication revenues reflected in the revenue table above are collections of a 5.5% premium tax assuming the extended coverage for donated breast milk is covered under managed care.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer