

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

REVISED

| | | |
|-----------------------------------|---------|---------------------------------|
| Date: June 2, 2022 | 4:46 PM | Author: HILFERTY |
| Dept./Agy.: LDH | | Analyst: Shawn Hotstream |
| Subject: Medicaid coverage | | |

MEDICAID EG +\$592,788 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 outpatient coverage benefits for medically necessary pasteurized donor human milk upon prescription of an infant's pediatrician stating that the infant Medicaid beneficiary is medically or physically unable to receive maternal human milk or participate in breast feeding, or the infant's mother is medically or physically unable to produce maternal human milk in sufficient quantities. Medicaid shall only reimburse for outpatient donor human milk obtained from a member bank of the Human Milk Banking Association of North America.

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. | \$592,788 | \$551,753 | \$566,042 | \$580,332 | \$594,621 | \$2,885,536 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$54,351 | \$111,078 | \$113,652 | \$116,226 | \$118,800 | \$514,107 |
| Federal Funds | \$1,350,861 | \$1,385,569 | \$1,422,706 | \$1,459,842 | \$1,496,979 | \$7,115,957 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$1,998,000 | \$2,048,400 | \$2,102,400 | \$2,156,400 | \$2,210,400 | \$10,515,600 |

| 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 | \$54,351 | \$111,078 | \$113,652 | \$116,226 | \$118,800 | \$514,107 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$54,351 | \$111,078 | \$113,652 | \$116,226 | \$118,800 | \$514,107 |

EXPENDITURE EXPLANATION

Extending Medicaid outpatient coverage for donated human milk is anticipated to result in approximately \$2 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. 555 eligible babies at a 20% uptake of services)
2. 20 ounces of milk consumed daily
3. Cost of \$3 per ounce of milk
4. received for up to a period of 60 days. (555 babies x 20 ounces x \$3 per ounce x 60 days = \$1,998,000)
5. approximately 2% utilization increase in the outyears

Note: The fiscal note assumes an unlimited supply of human donor milk. To the extent that human donor milk would not be available to meet the demand at any point in time, the expenditures reflected in this fiscal note may be reduced proportionally.

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 Dual Referral Rules
 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