

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 135** SLS 23RS 331

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

**REVISED**

<b>Date:</b> April 17, 2023	5:29 PM	<b>Author:</b> BARROW
<b>Dept./Agy.:</b> Health/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> licensed midwife		

MEDICAID OR +\$34,292 GF EX See Note Page 1 of 1  
Provides relative to Medicaid reimbursement for services provided by a licensed midwife. (8/1/23)

Proposed law provides that the Louisiana Department of Health (LDH) shall implement a Medicaid reimbursement rate for midwifery services no less than 90% of the reimbursement rate of licensed physicians that provide the same services for pregnancy care and childbirth.

Proposed law requires the midwife provider to be enrolled as a Medicaid provider with an managed care organization.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$34,292	\$41,176	\$42,411	\$43,684	\$44,994	<b>\$206,557</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$5,204	\$14,294	\$14,723	\$15,164	\$15,619	<b>\$65,004</b>
Federal Funds	\$150,528	\$205,496	\$211,661	\$218,011	\$224,552	<b>\$1,010,248</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$190,024</b>	<b>\$260,966</b>	<b>\$268,795</b>	<b>\$276,859</b>	<b>\$285,165</b>	<b>\$1,281,809</b>

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$5,204	\$14,294	\$14,723	\$15,164	\$15,619	<b>\$65,004</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$5,204</b>	<b>\$14,294</b>	<b>\$14,723</b>	<b>\$15,164</b>	<b>\$15,619</b>	<b>\$65,004</b>

**EXPENDITURE EXPLANATION**

Increasing reimbursements rates for midwife services to 90% of the reimbursement rate of licensed physicians for providing the same service is anticipated to increase Medicaid expenditures by approximately \$190,000 in FY 24. The estimate is based on the following assumptions and calculations reflected below:

- 1) Review of claims and payment history from July 2019 to March 2023 for both certified nurse midwives and licensed midwives (multiple CPT codes applicable to midwifery services)
- 2) Increase Medicaid reimbursement rate for certain CPT codes that are applicable to midwifery services - increase rate by 10% for applicable services provided by certified nurse midwives; increase rate by 15% for applicable services provided by licensed midwives (as Medicaid currently reimburses 80% of the professional fee service rate for certified nurse midwives services and 75% for licensed midwives services)
- 3) Projected aggregate increase in the expenditure table above reflects the difference in the current rate and the adjusted rate (totaled by CPT codes for both licensed and certified midwives) averaged over 12 months
- 4) total Medicaid impact includes services provided under managed care and fee for service
- 5) first year impact based on increased reimbursements for 9 months, annualized in outyears
- 6) Assume a 3% utilization increase in midwife services year over year

**REVENUE EXPLANATION**

The increase in Statutory Dedication revenues reflected in the revenue table above represent revenues generated from 5.5% premium tax on additional managed care expenditures under this measure.

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*  
**Evan Brasseaux**  
**Interim Deputy Fiscal Officer**