

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 10, 2023	8:57 AM	Author: BARROW
Dept./Agy.: Health/Medicaid		Analyst: Shawn Hotstream
Subject: licensed midwife		

MEDICAID RE +\$39,972 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 95% of the reimbursement rate of licensed physicians for the provision of the same services in pregnancy and childbirth acting within their scope of practice.

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

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$39,972	\$45,703	\$47,075	\$48,487	\$49,941	\$231,178
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$3,843	\$15,832	\$16,307	\$16,797	\$17,300	\$70,079
Federal Funds	\$166,826	\$227,745	\$234,576	\$241,613	\$248,863	\$1,119,623
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$210,641	\$289,280	\$297,958	\$306,897	\$316,104	\$1,420,880

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$3,843	\$15,832	\$16,307	\$16,797	\$17,300	\$70,079
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$3,843	\$15,832	\$16,307	\$16,797	\$17,300	\$70,079

EXPENDITURE EXPLANATION

Increasing reimbursements rates for midwife services to 95% of the reimbursement rate of licensed physicians for providing the same services is anticipated to increase Medicaid expenditures by approximately \$210,000 in FY 24. The estimate is based on the following assumptions 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 15% for applicable services provided by certified nurse midwives; increase rate by 20% 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}

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