

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 702** HLS 24RS 940

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 2, 2024	1:45 PM	Author: WILLARD
Dept./Agy.: LDH/Medicaid		Analyst: Shawn Hotstream
Subject: Doula services		

MEDICAID EG INCREASE GF EX See Note
Provides for Medicaid coverage and support for doula services

Proposed law provides Medicaid coverage for doula treatment. The Louisiana Medicaid program shall cover inpatient and outpatient coverage for doula treatment/care when such care or treatment is used for a medically accepted indication and administered in any healthcare facility by any healthcare professional appropriately licensed in this state to provide doula treatment.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Providing Medicaid coverage for inpatient and outpatient doula treatment services is anticipated to result in a significant increase in Medicaid expenditures annually.

As an illustrative example, if 5% of the approximately 35,196 eligible deliveries utilized doula services with a minimum service rate of \$1,250 per pregnancy, covering doula services could result in a minimum cost of \$2.2 M (\$385,965 SGF, \$121,584 Stat. Ded., and \$1,713,701 Federal) in FY 25, with projected increases in future fiscal years. The estimate is based on the following assumptions and calculations reflected below.

- 1) approximately 35,196 Medicaid eligible deliveries from calendar year 2023
- 2) minimum service rate of doula service per delivery = \$1,250 (the minimum rate is referenced in the proposed bill)
- 3) assume MCOs will not reimburse at a higher level, otherwise cost estimates understated
- 4) 5% uptake in utilization of service with a 1% increase each year

REVENUE EXPLANATION

Increased premium payments to MCOs will result in additional taxes collected by LDH. Tax revenues are 5.5% of premiums paid to the MCOs. In the illustrative example in the Expenditure Explanation above, \$2.2 M in additional payments for doula covered services will generate approximately \$121,000 in statutory dedication premium tax revenues in FY 25.

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}


Patrice Thomas
Deputy Fiscal Officer