



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1608

PRINTER'S NO. 3038

PRIME SPONSOR: Cephias

### COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See Fiscal Impact	See Fiscal Impact

### SUMMARY:

House Bill 1608, Printer's Number 3038 amends the Human Services Code to add a new section requiring the coverage of doula services in the Medical Assistance (MA) Program and require the Department of Human Services to establish the Doula Advisory Board.

### ANALYSIS:

This legislation amends Act 21 of 1967, known as the Human Services Code, to add Section 443.15 Medical Assistance Coverage for Doula Services. Subject to federal approval, the MA program will cover doula services provided to enrolled individuals during pregnancy, labor and delivery, and up to one year postpartum. The Department of Human Services (DHS) will seek a state plan amendment or federal waiver, if necessary, to allow for the coverage of doula services.

The DHS will establish a Doula Advisory Board to advise the Secretary of Human Services on best practices, doula participation, racial and geographic disparities in maternal health services, and equity and inclusion.

This legislation will take effect as follows:

- The Doula Advisory Board will take effect immediately.
- The addition of Section 443.15 will take effect 30 days after the DHS publishes notice that the state plan amendment or federal waiver has received federal approval.
- The remainder of this legislation will take effect immediately.

### FISCAL IMPACT:

#### MA Managed Care Program

The majority of pregnant and postpartum individuals enrolled in the MA program are in the MA managed care program. DHS contracts with Managed Care Organizations (MCOs) to cover the MA services individuals are eligible to receive under the MA program. MCOs are paid a monthly rate for each individual eligible for MA and enrolled into that MCO. These MCO rates are required to be actuarially sound, and the rate covers all MA services for which that individual is eligible. The MCO must maintain a network of MA providers and make payment to those providers when they provide MA services to the individuals enrolled into the MCO.

Effective February 1, 2024, the MCO provider network can include Certified Doulas.<sup>1</sup> Any increase in cost due to the inclusion of doula services in the MA program would be paid by the MCOs, and the MCOs rates paid by DHS are inclusive of the services provided by Certified Doulas. Therefore, there is no fiscal impact to the MA Managed Care Program resulting from this legislation.

<sup>1</sup> Medical Assistance Bulletin 13-24-01

### MA Fee-for Service Program

Assuming this legislation is enacted in May, the effective date for the state plan amendment allowing for coverage of doula services is likely to be after June 30, 2024. Therefore, there would be no fiscal impact to the commonwealth for 2023/24.

For 2024/25, the increase for services provided by Certified Doulas will depend on the number of pregnant and postpartum individuals enrolled into the MA Fee-for-Service program who utilize doula services and the frequency with which each individual uses these services. In addition, DHS does not currently have an established MA Fee Scheduled rate for doulas services. As the information regarding the number of doula services that will be used and the rate for each service is not currently available, the increase to the MA Fee-for-Service program cannot be determined at this time.

### Doula Advisory Board

Any increase in administrative costs for the Department of Human Services resulting from the establishment of the Doula Advisory Board would potentially be minimal, and the department can likely cover the increase within current appropriations.

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*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*