

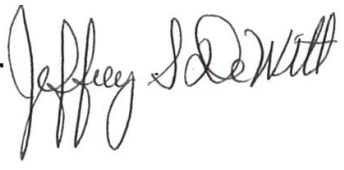
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 30, 2020

SUBJECT: Fiscal Impact Statement – Postpartum Coverage Expansion Act of 2020

REFERENCE: Bill 23-326, Committee Print as provided to the Office of Revenue
Analysis on June 29, 2020.

Conclusion

Funds are not sufficient in the fiscal year 2020 budget and proposed fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost \$1.08 million in fiscal year 2021 and \$5.21 million over the proposed financial plan. The Local Funds portion of this cost is \$361,000 in fiscal year 2021 and \$1.69 million over the proposed financial plan.

Background

The bill requires the Department of Health Care Finance (DHCF) to submit a waiver request to the Centers for Medicare and Medicaid Services (CMS) to allow all health policies offered through the District's Medicaid program to cover inpatient and outpatient maternity and newborn care for at least one year after childbirth. Women who become Medicaid-eligible solely based on their pregnancy status are currently limited to coverage for the duration of their pregnancy plus 60 days postpartum. The bill would extend coverage for these women so that they are covered by Medicaid for a year following delivery.

The bill also requires Medicaid and the D.C. Healthcare Alliance (Alliance) to provide coverage for home visits via telehealth for pregnant women and to provide coverage for provider-delivered digital health interventions.¹

¹ Such as Baby Scripts. Visit <https://www.getbabyscripts.com/> for more information.

The Honorable Phil Mendelson

FIS: Bill 23-326, "Postpartum Coverage Expansion Act of 2020," Committee Print as provided to the Office of Revenue Analysis on June 29, 2020.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2020 budget and proposed fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost \$1.08 million in fiscal year 2021 and \$5.21 million over the proposed financial plan. The Local Funds portion of this cost is \$361,000 in fiscal year 2021 and \$1.69 million over the proposed financial plan.

DHCF will need additional funds to implement a waiver that will extend Medicaid coverage to women who are solely eligible for Medicaid based on their pregnancy status. Extending postpartum benefits to these women will cost \$393,000 (\$96,000 local share and \$297,000 federal share) in fiscal year 2021 and \$2.18 million (\$530,000 local share and \$1.65 million federal share) over the financial plan.

DHCF will also need additional funds to cover the cost of providing coverage for digital health interventions used to monitor pregnancies. In total, DHCF will need \$691,000 (\$265,000 local share and \$426,000 federal share) in fiscal year 2021 and \$3.03 million (\$1.16 million local share and \$1.87 million federal share) to implement coverage of digital health interventions.

No additional resources are required to cover home visits via telehealth for pregnant women as these are currently covered by the District's Medicaid and Alliance programs.

Bill 23-326 - Postpartum Coverage Expansion Act of 2020					
Total Cost					
Extending Postpartum Coverage	FY 2021	FY 2022	FY 2023	FY 2024	Total
Local Share	\$96,000	\$136,000	\$145,000	\$153,000	\$530,000
Federal Share ^(a)	\$297,000	\$424,000	\$449,000	\$476,000	\$1,646,000
Total Cost	\$393,000	\$560,000	\$594,000	\$630,000	\$2,176,000
Digital Technology to Manage Pregnancy	FY 2021	FY 2022	FY 2023	FY 2024	Total
Local Share	\$265,000	\$282,000	\$299,000	\$317,000	\$1,163,000
Federal Share ^{(b)(c)(d)}	\$426,000	\$453,000	\$480,000	\$509,000	\$1,868,000
Total Cost	\$692,000	\$734,000	\$779,000	\$826,000	\$3,031,000
Total Costs	FY 2021	FY 2022	FY 2023	FY 2024	Total
Total Local	\$361,000	\$418,000	\$444,000	\$470,000	\$1,693,000
Total Federal	\$723,000	\$876,000	\$930,000	\$985,000	\$3,514,000
Grand Total^(e)	\$1,084,000	\$1,294,000	\$1,373,000	\$1,456,000	\$5,207,000

Table Notes:

- (a) Assumes a 75.6 percent federal and 24.4 percent local cost sharing for Managed Care Organizations patients.
- (b) Assumes a 70 percent federal and 30 percent local cost sharing for Fee-For-Service patients
- (c) Assumes a blended 75.6 percent federal and 24.4 percent local cost sharing for Managed Care Organizations patients.
- (d) Assumes 100 percent local cost for the Alliance program.
- (e) A gradual ramp-up of the program in fiscal year 2021 causes prices to be lower than in fiscal year 2022. Beginning in fiscal year 2023, costs grow based on the growth projections produced by CMS.
See: <https://www.cms.gov/files/zip/nhe-projections-2019-2028-tables.zip-0>.