



SF 414 – Medicaid for Women with Green Cards (LSB1993SV)
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Fiscal Note Version – New

Description

[Senate File 414](#) requires that coverage under the Medicaid Program be provided beginning July 1, 2019, to pregnant women lawfully residing in the United States in accordance with [federal law](#). The Bill requires the Department of Human Services (DHS) to submit a Medicaid State Plan Amendment to the Centers for Medicare and Medicaid Services (CMS) to elect the option to provide such Medicaid coverage. The Bill requires the DHS, in collaboration with the Department of Public Health, to collect, on an annual basis, specified information relative to the coverage provided to pregnant women.

Background

The [Children's Health Insurance Program Reauthorization Act \(CHIPRA\) of 2009](#) gave states the option to expand Medicaid to children under age 21 and to pregnant women (inclusive of the 60-day postpartum period) lawfully residing in the United States. This "lawfully residing" group includes various immigrant and nonimmigrant statuses that permit persons to remain in the United States either permanently or indefinitely (e.g., temporary protected status, Marshall Islanders, religious workers, deferred action status, pending applicants for asylum, etc.). Iowa enacted the CHIPRA option for children under age 21 during the 2009 Legislative Session.

Assumptions

- Based on FY 2018 Iowa Medicaid Enterprise data, there are an estimated 559 individuals who will be impacted by this change annually. Iowa Medicaid is already paying labor and delivery costs for these individuals through these individuals' existing emergency coverage, and is paying a portion of the ambulatory prenatal care cost during the time-limited (two-month) presumptive eligibility period.
- Iowa Medicaid will cover pregnant women for nine additional months: the nine-month pregnancy, plus the 60-day postpartum period, minus the two months of presumptive eligibility currently covered.
- The FY 2019 pregnant women capitation rate cell for Medicaid is \$375.54 per month. This cost excludes labor/delivery costs, which are paid separately through the maternity case rate.
- Expanding Medicaid coverage to pregnant women and fulfilling the reporting and tracking requirements of the Bill requires system updates and enhancements for the data warehouse, income maintenance systems, and the Eligibility Integrated Application Solution (ELIAS) System. These changes are estimated to take 11,300 hours at \$105 per hour.
- Academic research suggests that providing prenatal care has the potential to reduce future health care costs by preventing premature births and low birth weights.
- The Medicaid match rate is 60.88% federal and 39.12% State. The match rate varies for the different systems that need to be updated, but the blended rate for all systems changes is 90.11% federal and 9.89% State.

Fiscal Impact

[Senate File 414](#) is estimated to increase the DHS operating cost by \$939,000 in FY 2020 and \$739,000 in FY 2021. The increase in FY 2020 includes \$200,000 in one-time costs. For a breakdown of the costs, see **Table 1** below. These costs may be offset by potential Medicaid savings due to preventing premature births and low birth weights. The full impact of any potential savings will not be realized until FY 2021 and beyond. The LSA cannot estimate the impact of any savings at this time, but there may be an opportunity for future analysis with the data that is mandated by the Bill to be collected.

Table 1 — Fiscal Estimate of SF 414

	FY 2020				FY 2021			
	Number	Monthly Cost	Total Cost	State Share	Number	Monthly Cost	Total Cost	State Share
Medicaid Cost								
Pregnant Women	559	\$ 375.54	\$ 1,889,342	\$ 739,110	559	\$ 375.54	\$ 1,889,342	\$ 739,110
DHS Systems Changes								
	Hours	Cost	Total Cost	State Share	Hours	Cost	Total Cost	State Share
Data Warehouse	80	\$ 105	\$ 8,400	\$ 2,992	0	\$ 105	\$ 0	\$ 0
Income Maintenance Systems	100	105	10,500	3,598	0	105	0	0
ELIAS System	11,120	105	1,167,600	112,773	0	105	0	0
ELIAS System Support Costs			832,400	80,398				
DHS Systems Changes Total			\$ 2,018,900	\$ 199,761			\$ 0	\$ 0
Total Increased Cost DHS			\$ 3,908,242	\$ 938,871			\$ 1,889,342	\$ 739,110

* Totals may not sum due to rounding.

Sources

Department of Human Services
LSA analysis

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.