



SF 2 – Family Planning Funding Restriction (LSB1755XS)

Analyst: Jess Benson (Phone: (515)281-4611) (jess.benson@legis.iowa.gov)

Fiscal Note Version – New

Description

The Bill directs the Department of Human Services (DHS) to discontinue the Medicaid Iowa Family Planning Network (IFPN) Waiver effective July 1, 2017, and to instead establish a State Family Planning Services Program. The State Program is to replicate the eligibility requirements and other provisions included in the Medicaid Family Planning Network Waiver. The Program funds are to be distributed in a manner that continues access to family planning services, but are not to be distributed to any entity that performs abortions or maintains or operates a facility where abortions are performed, or for direct or indirect costs related to providing abortions.

Background

The IFPN Waiver allows men and women to be enrolled in Medicaid to receive family planning services only. This Program is a form of limited insurance coverage. Program eligibility information and a list of the services provided are available here: <https://dhs.iowa.gov/ime/members/medicaid-a-to-z/IFPN>.

Assumptions

- As of December 2016, there were 12,219 individuals participating in the IFPN.
- IFPN Waiver expenses are projected to be \$3.4 million in FY 2018. Of that amount, \$482,035 are State dollars and \$2.9 million are federal dollars.
- It is assumed the \$482,035 in State funding will continue to be used to fund the new Program.
- The Federal Medical Assistance Percentage (FMAP) rate for the IFPN is 90.00% federal and 10.00% State. The administrative FMAP rate for the IFPN is 50.00% federal and 50.00% State.
- The State Family Planning Services Program will be required to set up a new administrative system to manage the Program, which is anticipated to cost \$200,000 annually.
- Under the new Program, the State will be responsible for 100.0% of the costs.
- The Bill takes effect upon enactment and is to be implemented July 1, 2017. Due to the federal requirements of phasing out the IFPN taking at least seven months, it is assumed the new Program will take effect after the intended start date beginning November 1, 2017.

Fiscal Impact

Senate File 2 is estimated to increase General Fund expenditures by \$2.1 million in FY 2018 and \$3.1 million when implemented for a full year in FY 2019. The cost estimate is outlined in the table below.

Senate File 2 Fiscal Impact

	Current Law Family Planning Waiver State	Proposed Law State Only Family Planning	Program Cost	Current GF Dollars	Estimated General Fund Increase
FY 2018 (prorated)	\$ 160,678	\$ 2,389,253	\$2,549,932	\$ 482,035	\$2,067,897
FY 2019	0	3,583,880	\$3,583,880	\$ 482,035	\$3,101,845

Source

Department of Human Services

/s/ Holly M. Lyons

February 1, 2017

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.
