



## State Fiscal Note for Bill Number: 2022-H-7443

**Date of State Budget Office Approval:** Tuesday, April 5, 2022

**Date Requested:** Monday, February 21, 2022

**Date Due:** Thursday, March 3, 2022

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2022	\$0	FY 2022	N/A
FY 2023	\$41,363,120	FY 2023	N/A
FY 2024	\$49,851,228	FY 2024	N/A

**Explanation by State Budget Office:** This Act amends RIGL Chapter 42-12.3, newly titled “Health Care for Children and Pregnant People,” by expanding the Medicaid coverage eligibility for pregnant individuals from 250 percent of the federal poverty level (FPL) to 400 percent of the FPL. Additionally, this Act includes a new provision to cover pregnancy related costs if an individual’s “private health insurance coverage fails to cover any portion of treatment.” Finally, this Act replaces all references to the word “women” with the word “people.”

**Comments on Sources of Funds:** Medicaid expenditures are jointly financed by general revenues and federal funds according to the prevailing (blended) Federal Medicaid Assistance Percentage (FMAP), which is 54.19 percent in FY 2023. The FY 2023 rate of 54.19 percent is also assumed for FY 2024.

**Summary of Facts and Assumptions:** Data Assumptions:  
2,339 additional births are anticipated to be covered annually or 200 births per month (rounded for simplicity). This total is estimated by taking the number of individuals living between 250 and 400 percent of the FPL, or 212,168 people. This total assumes an equal distribution of individuals between 200 and 300 percent of the FPL, due to the availability of data from the United States Census Bureau (American Community Survey). Additionally, it is estimated that 19.7 percent of Rhode Island’s population are females between the ages of 15-44 (American Community Survey), and that there are 56 births per 1,000 individuals in the US (National Vital Statistics Report, CDC, 2022).

$2,339 \text{ births} = 212,168 \text{ individuals (FPL)} * 19.7\% \text{ women } 15-44 / 1000 * 56 \text{ births per-thousand}$

**Cost Assumptions:**  
Due to the assumed time of passage of this Act, there is no fiscal impact estimated for FY 2022. It is assumed that this legislation will take effect on July 1, 2022 (FY 2023).

**Cost Inflation:** In FY 2024, all cost assumptions are increased by 5.0 percent for inflation.

**SOBRA:** The estimated one-time SOBRA payment made for each birth is \$14,292, adopted in the 2021 November CEC. This cost is inflated to \$15,007 in FY 2024 (5.0 percent).

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Rite Care: The estimated per-member per-month (PMPM) for Rite Care Core (ages 15–44) is \$437.20. Uninsured pregnant women are eligible for this benefit while pregnant and 2-months postpartum, a total of approximately 12 months. This cost is inflated to a PMPM of \$459.06 in FY 2024.

Extended Family Planning: Postpartum women are eligible for Extended Family Planning (EFP) benefits, \$22.00 PMPM for 24-months, noting, in practice, the Executive Office of Health and Human Services (EOHHS) states the average usage of EFP is 12-months. This cost is inflated to \$23.10 (PMPM) in FY 2024.

**Other Assumptions:**

Additionally, it has been determined that the new provision to cover pregnancy related costs if private insurance fails to cover that portion of treatment as incalculable. This is due to the ambiguity of the law and the available data. For example, this legislation doesn't provide distinction on whether "fails to cover" includes an individual's deductible, cost-share obligations, and/or out-of-pocket maximums. It is also difficult to determine what services are covered and excluded by private insurers, and if they would qualify under this Act. With this caveat, the estimated fiscal impact of this Act is presumed to be understated.

*Summary of Fiscal  
Impact:*


Utilizing the above assumptions, the fiscal impact of this Act is as follows:

FY 2022: \$0 general revenues / \$0 all funds

FY 2023: \$18.9 million general revenues / \$41.4 million all funds

FY 2024: \$22.8 million general revenues / \$49.9 million all funds

*Budget Office Signature:* \_\_\_\_\_



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*Fiscal Advisor Signature:* \_\_\_\_\_

**House Fiscal Advisor Comments H 7443:**

The interpretation of the bill by the Budget Office assumes that the Executive Office of Health and Human Services will receive approval from the Centers for Medicare and Medicaid Services to increase the income threshold from the currently approved 185 percent to 400 percent of poverty and be able to have over 50 percent of the expenses paid for by federal Medicaid funds. This is not an action the state can take under the current Medicaid waiver that expires December 1, 2023, so any costs for FY 2023 would be entirely from general revenues. However, the Executive Office can seek approval for this change during the next Medicaid renewal process for coverage that will begin January 1, 2024.

