

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2024 REGULAR SESSION**

**MEASURE**

2024 BR NUMBER 84

SENATE BILL NUMBER 89 GA

**TITLE** AN ACT relating to Medicaid coverage for certified professional midwifery services.

**SPONSOR** Senator Shelley Funke-Frommeyer

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  
 LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department for Medicaid Services

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

<b>FISCAL ESTIMATES</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>				
<b>EXPENDITURES</b>			\$117,800 GF \$274,800 FF	\$117,800 GF \$274,800 FF
<b>NET EFFECT</b>			(\$117,800) GF (\$274,800) FF	(\$117,800) GF (\$274,800) FF

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The purpose of the measure is to require Medicaid coverage for certified midwifery services.

**FISCAL EXPLANATION:** The Cabinet for Health and Family Services (CHFS) estimates that the provisions of the legislation would result in increased Medicaid expenditures related to emergency transportation and neonatal intensive care costs. CHFS notes that, currently, there are an average of 24,000 births per year in Kentucky covered by Medicaid, and 1.6 percent of those are home births. Taking into account the current home birth rate and the average number of births per year, the Department for Medicaid Services (DMS) estimates that there would be at least 384 home births per year.

Based on available data on intrapartum transportation rates, DMS estimates that approximately 130 of the home births, or about one-third, would require emergency transport to a hospital at a later stage in delivery at a cost of \$20,000 per year. DMS further estimates that approximately 32, or about 25 percent, of the infants born after the intrapartum transport would need additional care in the Neonatal Intensive Care Unit (NICU) at an average per stay cost of \$11,643, for a total of \$372,576 in NICU costs. Given the anticipated costs for emergency transports and NICU

stays, DMS estimates total expenditures of \$392,756 per year due to the provisions of the legislation with \$117,772 coming from General Fund and \$274,804 coming from Federal Funds.

**DATA SOURCE(S): Cabinet for Health and Family Services**

**PREPARER: Miriam Fordham NOTE NUMBER: 185 REVIEW: JB DATE: 3/19/2024**