



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 280 of the 130th G.A.

**Date:** March 25, 2014

**Status:** As Introduced

**Sponsor:** Sens. Jones and Tavares

**Local Impact Statement Procedure Required:** No

**Contents:** Requires case management services for postpartum care be included in the Medicaid managed care system, requires the Department of Health to award grants for community-based services, and makes an appropriation

### State Fiscal Highlights

- The bill reappropriates \$25 million from the Ohio Department of Medicaid (ODM) to the Infant Vitality Grant Fund, used by the Ohio Department of Health.
- ODM could experience a decrease in costs if Medicaid managed care organizations fail to provide or arrange for case management services for postpartum care.
- ODM would incur costs related to the required annual report about optimal pregnancy spacing counseling.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill requires case management services for postpartum care be included in the Medicaid managed care system, requires the Ohio Department of Health (ODH) to award grants for community-based services, and reappropriates \$25 million to the credit of the Infant Vitality Grant Fund, which the bill creates.

### Infant vitality grants

The Infant Vitality Grant Fund, consisting of funds appropriated by the General Assembly, will be used to award grants for community-based services. The bill requires the Director of Health to award grants to private, nonprofit entities that provide community-based services that are intended to reduce infant mortality rates among populations that experience high infant mortality rates and are not covered by the Medicaid Program. The Director will create a grant application and a process for receiving and evaluating the grant applications on a competitive basis. The grant

applicant must demonstrate how it will use grant money to supplement, rather than supplant, funds that the applicant has received in recent years to provide community-based services. ODH could experience an increase in costs to create a grant application and process for receiving and evaluating the grant applications. The bill reappropriates \$25 million from the unexpended and unencumbered portion of the state share appropriation made to the Ohio Department of Medicaid's GRF appropriation item 651525, Medicaid/Health Care Services, at the end of FY 2014 to the Infant Vitality Grant Fund for FY 2015. These reappropriated funds will provide for the grants that the Director of Health will award, as well as ODH's administrative costs.

### **Case management services for postpartum care**

The bill requires Medicaid payments to a managed care organization (MCO) be reduced if the MCO fails to provide the case management services for postpartum care available to each Medicaid recipient who is enrolled in the organization and has a high risk of suffering poor health outcomes related to the pregnancy. The payment reduction will be determined by the Director of Medicaid. Case management services for postpartum care must include counseling regarding the optimal intervals at which an individual's pregnancies may be spaced in order to promote healthy pregnancies. It is assumed that Medicaid MCOs currently provide or arrange for case management services for postpartum care. Therefore, this provision could result in a savings to the Medicaid Program if MCOs fail to provide the services.

The Director of Medicaid must complete a report at least once a year about the optimal pregnancy spacing counseling that Medicaid MCOs are to include in case management services for postpartum care. The report must include certain information about the counseling's effectiveness in promoting healthy pregnancies, reducing the risk of infant mortality, and achieving other positive health outcomes. A copy of the report must be provided to the Governor, the General Assembly, and the Joint Medicaid Oversight Committee. The report must also be made available to the public. ODM would incur additional costs related to the report.