



DEPARTMENT OF AUDITS AND ACCOUNTS

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December 17, 2019

Honorable Karen Mathiak
State Representative
608-C Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 717 (LC 33 7832)

Dear Representative Mathiak:

This bill would provide for the licensure and regulation of midwives and the creation of the Advisory Board for Licensed Midwives (Board). The bill does not specify an agency under which the Board will be created; however, for the purpose of this analysis we assume the Board will be under the Secretary of State's Office, which oversees most professional licensing boards in the state. It should be noted this bill would offer licenses to non-nurse midwives¹ and create the title of Licensed Midwife. Currently, the only licensed midwives in the state are Certified Nurse Midwives (CNMs) licensed by the Georgia Board of Nursing. CNMs would not be subject to additional fees as a result of this bill.

Costs to the Secretary of State's Office

According to the Secretary of State's Office (SOS), the Board's functions as described in the bill are similar to a professional licensing board, rather than an advisory board as stated in the bill. The estimate is based on costs of supporting a professional licensing board. As shown in **Table 1**, the estimated cost to the SOS to implement the bill is approximately \$260,000 in the first year, with future recurring annual costs of approximately \$170,000.

Table 1. Total Expenditures for the Board and Secretary of State's Office

Advisory Board for Licensed Midwives	One-Time Costs	Annual Costs
Licensing System Integration	\$80,000	-
Personnel Costs	-	\$121,272
Operating Costs	-	\$28,000
Board Per Diem and Mileage	-	\$10,000
Attorney General's Office Fees	\$10,000 ¹	\$10,000
Total	\$90,000	\$169,272

¹ Costs are related to rule-making

¹ Certified Professional Midwives, who are eligible for licensure under this bill, are not considered medical practitioners.

The personnel costs are associated with 40% to 50% of FTE time for staff performing functions related to licensing, compliance, investigations, intake, and the call center. Operations costs primarily include training, information technology, and the Office of State Administrative Hearings.

Fee Revenue to Secretary of State’s Office

Once established, fees for Licensed Midwives (LM) would be promulgated by the Board. According to the Georgia Midwives Association, there are approximately 30 CPMs currently practicing in Georgia. Creation of the Board could encourage individuals to obtain their professional midwife certification and licensure. Due to the uncertainty of fee amounts that will be set, and number of professional midwives that may seek licensure, we present scenarios of revenues that the SOS may collect.

Table 2. Estimated Biannual Fee Revenue Scenarios from Licensed Midwives

Scenarios	Estimated LMs	Using \$50 SOS Fee ¹	Using \$150 Other State Fee ²
Low Estimate of LMs & SOS Fees ²	50	\$2,500	\$7,500
High Estimate of LMs & SOS Fees	100	\$5,000	\$15,000

¹ The Secretary of State’s Office proposed a \$50 fee based on existing license costs for comparable boards.
² Other State Fee is based on research performed on neighboring states. South Carolina’s \$150 licensure fee for professional midwives is the lowest amount of neighboring states.

Costs to the Department of Community Health

This bill would ensure that maternity care services provided by LMs are covered by all forms of health insurance coverage, including Medicaid, and that LMs will be reimbursed at the same rate as other providers of maternity care. In Table 3, we provide estimated Medicaid coverage cost scenarios for licensed midwives services in a year.

Table 3: Estimated Annual Cost Scenarios for Medicaid Coverage of CPM Services (FY2020)

	Number of Medicaid Eligible Births Attended by LMs ¹	Total Cost of Coverage ²
High Estimate ³	440	\$3,333,620
Low Estimate ⁴	283	\$2,144,124

¹ Figures based on calculation of number of CPMs being equivalent to 5% of CNMs. Also assumes current number of CPMs at 30.
² Cost based on \$7,576.41 per birth reimbursement rate (delivery/kick payment).
³ Estimate based on 2013 figure where 14% of Georgia births were attended by CNMs
⁴ Estimate based on 2017 figure where 9% of National births were attended by CNMs

Sincerely,

A handwritten signature in blue ink that reads "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in blue ink that reads "Kelly Farr".

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/kpb