



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

**Greg S. Griffin**  
STATE AUDITOR  
(404) 656-2174

October 22, 2019

Honorable Park Cannon  
State Representative  
512-F Coverdell Legislative Office Building  
Atlanta, GA 30334

SUBJECT: Fiscal Note  
House Bill 693 (LC 46 0125)

Dear Representative Cannon:

This bill would amend state law to provide women who gave birth to newborns the ability to retain Medicaid eligibility for one year following the birth of the child. The bill would require the Department of Community Health (DCH) to make applicable updates to the state plan for medical assistance. The bill has no effective date but is assumed to be July 1, 2020 for the purposes of this fiscal note.

Effectively, LC 46 0125 would provide an additional 10 months of coverage to qualifying new mothers. Currently, pregnant women whose incomes fall below 220% of the Federal Poverty Level (FPL)<sup>1</sup> are eligible for coverage under the Right from the Start Medical Assistance Group (RSM) program for the term of their pregnancy and for 60 days post-partum. The current Medicaid eligibility income ceiling for non-pregnant parents/caretakers over the age of 19 is 42% of the FPL.<sup>2</sup> Based on DCH estimates, approximately 92% of mothers provided Medicaid coverage during their pregnancy would lose that coverage after 60 days of delivering a child under current law.

### **Impact on State Expenditures**

Providing an additional 10 months of Medicaid coverage for eligible new mothers would result in an estimated first year cost of \$133.4 million, \$44 million of which would come from state funds. In the following year, costs would increase to approximately \$213.4 million, \$70.4 million of which would come from state funds (see Exhibit 1). First-year costs are significantly lower because fewer mothers receive the benefit in its initial months. Benefit costs would steadily increase over its first 10 months before becoming more consistent. The total funds estimates reflect preliminary utilization projections and projected per member per month rates. The share of state funds is based off preliminary Federal Medical Assistance Percentages (FMAP) for SFY 2022 as the final federal fiscal year 2022 FMAP has not been announced.

---

<sup>1</sup> As of 2019, 220% of the FPL for individuals is an annual income of \$27,478

<sup>2</sup> As of 2019, 42% of the FPL for individuals is an annual income of \$5,246

**Exhibit 1: Estimated Costs for First Two Years of the Program**

Funding Source	Estimated Initial Year Costs (SFY2021) <sup>2</sup>	Estimated Cost in Following Year (SFY2022) <sup>1</sup>
Federal Funding	\$89,401,002	\$143,041,603
State Funding	\$43,973,609	\$70,357,775
<b>Total Cost to DCH</b>	<b>\$133,374,611</b>	<b>\$213,399,378</b>

<sup>1</sup> Amounts are based on projected SFY2021 CMO rates and Medicaid births.  
<sup>2</sup> State and federal share amounts reflect the federal fiscal year 2021 FMAP rate that would apply to CMO contracts.

The estimate assumes that mothers who would lose coverage on or after July 1, 2020 under current law (i.e. new mothers beginning May 1, 2020) would be eligible for the additional 10 months of coverage proposed by this bill. It further assumes that women would be enrolled in a Care Management Organization (CMO), and DCH would pay the Per-Member-Per-Month (PMPM) costs for the duration of their postpartum eligibility. As shown in Exhibit 2, CMO PMPM and eligible mothers per month rates provided by DCH were used to calculate cost estimates.

**Exhibit 2: Projected Eligible Mothers and CMO Per-Member-Per Month Rates**

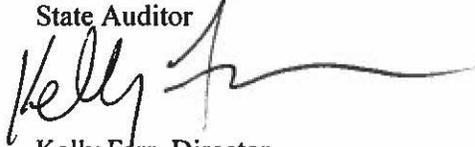
Age Group of Mothers	Projected Eligible Mothers Per Month <sup>1</sup>	Projected Per-Member-Per Month Rates
Ages 14 to 20	793	\$219.21
Ages 21 to 44	4,303	\$372.88

<sup>1</sup> Figures for eligible mothers are net of anyone who qualifies for Medicaid as a parent/caretaker under 42% of FPL after giving birth.

Sincerely,



Greg S. Griffin  
State Auditor



Kelly Farr, Director  
Office of Planning and Budget