

STORAGE NAME: h0581.cf
DATE: February 26, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CHILDREN AND FAMILIES
ANALYSIS**

BILL #: HB 581
RELATING TO: Medicaid/Preventive Family Planning
SPONSOR(S): Representative Frankel and others
COMPANION BILL(S): NONE

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILDREN AND FAMILIES
 - (2) HEALTH CARE SERVICES
 - (3) HEALTH AND HUMAN SERVICES APPROPRIATIONS
 - (4)
 - (5)
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I. SUMMARY:

This bill directs the Agency for Health Care Administration (AHCA) to seek a federal waiver to expand Medicaid eligibility for preventive family planning services to anyone whose income is at or below 200 percent of poverty. Medicaid eligibility for family planning services is two years for women at or below 185 percent of poverty who receive a pregnancy-related service.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Under a recently implemented waiver, authorized by the Legislature pursuant to s. 409.904(5), Medicaid eligibility for family planning services is two years for women at or below 185 percent of poverty who receive a pregnancy-related service. Previously, postpartum women lost Medicaid eligibility approximately 60 days after delivery. The current waiver was projected to save \$52.5 million. That was based on providing family planning to 45,375 women who were estimated to be eligible and would access the services. The Department of Health is currently responsible for the outreach, public and professional awareness aspects of this waiver.

Family planning services are defined in s. 409.905(3), F.S., as follows:

(3) FAMILY PLANNING SERVICES.--The agency shall pay for services necessary to enable a recipient voluntarily to plan family size or to space children. These services include information; education; counseling regarding the availability, benefits, and risks of each method of pregnancy prevention; drugs and supplies; and necessary medical care and follow-up. Each recipient participating in the family planning portion of the Medicaid program must be provided freedom to choose any alternative method of family planning, as required by federal law.

B. EFFECT OF PROPOSED CHANGES:

Subject to specific federal authorization, authorizes preventive family planning services under the Medicaid program for certain low-income persons whose income is at or below 200 percent of the most current federal poverty level, who are or may be sexually active and who are not otherwise eligible for medical assistance. Directs the Agency for Health Care Administration to submit federal waiver applications as necessary.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

The bill would expand eligibility for family planning services to 200% of poverty.

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends section 409.904, F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends subsections (6) and (7) of section 409.904, Florida Statutes, 1998 Supplement

Subject to federal authorization, this language would expand Medicaid eligibility for family planning services from two years for women at or below 185 percent of poverty who receive a pregnancy-related service, to all persons at or below 200 percent of poverty.

The Agency for Health Care Administration is authorized to pursue such waiver applications to DHHS as may be necessary to secure federal authorization and financial participation for the purposes of this bill.

Section 2. Creates an effective date of July 1, 1999.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

The Department of Health believes that the cost of extending family planning benefits would more than be covered by savings in future Medicaid prenatal, delivery, newborn and infant care costs. The number of persons who live at or below 200 percent of poverty and who would access the services is unknown at this time. If approved by the DHHS, the ability to draw down additional federal funds would be greatly enhanced by this bill as Medicaid has a 90/10 match for family planning. For every dollar Florida invests in family planning services, \$9 is received federally. The Department of Health believes that this bill has the potential to reduce the number of unintended pregnancies and to save the state millions of dollars on the averted costs of prenatal care, delivery, and first-year infant care. The Department of Health has conducted a cost benefit analysis that indicates that for every dollar invested in family planning, \$24 is saved. If the position of the department is accurate, and DHHS authorizes the waiver, \$1 invested by the state would generate \$10 of investment and \$240 of savings.

The annual cost of providing family planning services through Medicaid is \$237 per person. It is estimated that 25 percent of eligible persons will actually access the services. There are 4.8 million persons in Florida who are at or below 200 percent of poverty. The number of those persons who are of childbearing age is not readily available.

In FY 1996-97, Florida Medicaid spent an average of \$3,156 per infant who was less than a year old. Delivery costs were estimated to be \$3,255 in 1996 and the average costs for prenatal services was \$1,391/woman. This brings the total average expense to \$7,802 per pregnancy. The Department estimates that the program would avert 79-93 percent of pregnancies that would otherwise occur to the women who participate.

The department may require additional FTEs at county health departments to provide increased family planning services. To calculate this cost requires knowledge of the percentage of Medicaid clients who receive family planning services through the county health departments. AHCA is not able to provide this estimate at this time.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce revenue raising authority.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILIES:

Prepared by:

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