

Department of Legislative Services
 Maryland General Assembly
 2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 163
 Finance

(Senator Ellis)

Health and Government Operations

Maryland Medical Assistance Program - Doula Pilot Program

This bill establishes a Maryland Medical Assistance Program Doula Pilot Program to provide doula services to Medicaid recipients who are pregnant or postpartum in three jurisdictions: Baltimore City and Charles and Prince George’s counties. The pilot program runs from June 1, 2022, through May 31, 2025. By June 1, 2023, and annually through 2025, the Maryland Department of Health (MDH) must submit a report to the Governor and the General Assembly on the implementation of the pilot program. **The bill terminates September 30, 2026.**

Fiscal Summary

State Effect: Medicaid expenditures increase by almost \$87,900 (53% federal funds and 47% general funds) in FY 2022 for staff and one month of pilot program services. Federal fund revenues increase accordingly. Future years reflect rate increases, increased provider participation, higher federal matching, and termination of the pilot program in FY 2025. Personnel costs continue in FY 2026 to evaluate the program. To the extent doula services reduce caesarian births and improve birth outcomes, Medicaid expenditures are offset (not reflected). **This bill increases the cost of an entitlement program beginning in FY 2022.**

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
FF Revenue	\$46,500	\$255,300	\$305,200	\$289,700	\$41,700
GF Expenditure	\$41,300	\$176,400	\$208,700	\$199,300	\$41,700
FF Expenditure	\$46,500	\$255,300	\$305,200	\$289,700	\$41,700
Net Effect	(\$41,300)	(\$176,400)	(\$208,700)	(\$199,300)	(\$41,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Participating doula” means an individual who (1) has received a certification to perform doula services from the International Childbirth Education Association, the Doulas of North America, the Association of Labor Assistants and Childbirth Educators, or the Childbirth and Postpartum Professional Association and (2) is authorized by MDH to provide health care services to Medicaid recipients.

In administering the pilot program, and as permitted by federal law, MDH must provide, at a minimum, for each Medicaid recipient (1) reimbursement to participating doulas for up to four prenatal visits; (2) support from a participating doula during labor and delivery; and (3) reimbursement to participating doulas for up to four postpartum visits.

MDH must also (1) ensure that doulas providing care are participating doulas; (2) review participation in the pilot program by both participating doulas and Medicaid recipients; (3) evaluate the effectiveness of the pilot program; and (4) analyze appropriate criteria to determine if the State should expand the pilot program.

Current Law: Medicaid covers individuals, including pregnant women, with incomes up to 138% of federal poverty guidelines (FPG). Pregnant women with incomes between 138% and 264% FPG may also qualify for Medicaid based on their pregnancy under the “SOBRA” category. Doulas are not licensed or certified in Maryland.

State Fiscal Effect: As doulas are not currently licensed providers in Maryland, they are unable to submit claims to receive *federal* Medicaid reimbursement unless special authorization is obtained. Thus, MDH advises that it must obtain a Medicaid State Plan Amendment (SPA) that defines certified doula services as preventive services in order to obtain federal reimbursement. As nonlicensed providers, this would require doulas to be certified according to parameters set by the State.

Medicaid expenditures increase by an estimated \$87,866 in fiscal 2022, which accounts for the bill’s October 1, 2021 effective date. This estimate reflects the cost of hiring one grade 17 full-time health policy analyst to develop provider qualifications, define scope of practice, and establish requirements to become a certified doula with the State in order to submit an SPA. Assuming approval of the SPA by the end of calendar 2021, the health policy analyst would then register certified doulas and ensure that doulas were enrolled as Medicaid providers. The estimate also reflects one month of expenses for the pilot program, which begins June 1, 2022. It includes a salary, fringe benefits, one-time start-up costs, service costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below.

- MDH submits a Medicaid SPA to allow reimbursement of certified doula services as a preventive service, and the SPA is approved by December 31, 2021.
- MDH enrolls certified doulas beginning in January 2022.
- The pilot program begins June 1, 2022.
- All pregnant Medicaid beneficiaries in Baltimore City and Charles and Prince George’s counties are eligible for certified doula services.
- In fiscal 2019, there were 12,055 Medicaid births in those jurisdictions.
- The birth rate remains level, and the number of births is adjusted to reflect that 4% of births are multiple births.
- Utilization of services is anticipated to be 4% of eligible beneficiaries in fiscal 2022, increasing to 5% in fiscal 2023, and 6% in fiscal 2024 and 2025, limited by the number of certified doulas who choose to participate in Medicaid.
- The fee-for-service rate for doula services is up to \$600 in fiscal 2022 based on rates currently paid by the New York Medicaid Doula Pilot Program (\$360 to attend labor and delivery and \$30 for up to four prenatal and four postpartum visits).
- Rate increases of 2.1% annually are anticipated to account for changes in the Consumer Price Index.
- Certified doula services are eligible for a 61% federal match.
- Medicaid must pay a \$6.85 per provider/per month provider enrollment fee (at a 75% federal match).
- There are approximately 70 certified doulas in Maryland and approximately 20 will choose to participate in the pilot program in fiscal 2022, with annual increases in provider enrollment thereafter.

Position	1.0
Salary and Fringe Benefits	\$58,748
Reimbursement for Certified Doula Services	23,400
One-time Start-up Expenses	5,090
Provider Enrollment Costs	137
Ongoing Operating Expenses	<u>491</u>
Total FY 2022 State Expenditures	\$87,866

Future year expenditures reflect a full salary with annual increases and employee turnover and ongoing operating expenses, including the assumptions stated above. Although the pilot program terminates May 31, 2025, the health policy analyst position is maintained through fiscal 2026 to evaluate the effectiveness of the program and analyze appropriate criteria to determine if the State should expand the pilot program as required under the bill. Accordingly, the position is assumed to be a regular position rather than a contractual position and will be absorbed into other departmental duties should the program not be maintained or expanded after the evaluation has been completed.

To the extent that certified doula services reduce caesarian births and improve birth outcomes, Medicaid expenditures are offset. Any such cost savings cannot be reliably estimated at this time. *For illustrative purposes only*, MDH advises that a caesarian birth costs approximately 50% more than a vaginal delivery, adding roughly \$4,459 in Medicaid payments to the cost of a birth (based on national average costs from 2010).

Small Business Effect: Doulas, who are predominately independent practitioners and/or small businesses, benefit from the ability to receive Medicaid reimbursement under the pilot program. However, doulas typically charge much more than the proposed Medicaid rate for their services.

Additional Comments: In 2019, New York began a Medicaid Doula Pilot Program currently limited to Erie County. The state is working to enroll additional providers to expand the pilot to Kings County (Brooklyn). Erie and Kings counties were selected for the pilot as they have some of the highest maternal and infant mortality rates and the largest number of Medicaid births in New York state. The program covers four prenatal visits, support during labor and delivery, and four postpartum visits. To participate, a doula must be enrolled as a Medicaid provider (including attesting to doula certification and obtaining a unique national provider identifier) and contract with state managed care organizations. The fee-for-service reimbursement is a maximum of \$600 (\$360 to attend labor and delivery and \$30 for each prenatal and postpartum visit).

Additional Information

Prior Introductions: Similar legislation, SB 110 of 2020, received a hearing in the Senate Finance Committee, but no further action was taken.

Designated Cross File: None.

Information Source(s): New York State Department of Health; Maryland Department of Health; Department of Legislative Services

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