

Fiscal Analysis: The Virginia Department of Health (VDH) reports that in 2022 there were 95,615 births of which 33.8 percent were covered by Medicaid. As such, it is assumed that 32,317 of those pregnancies were already covered and adding presumptive eligibility would not increase those program costs. Of the 63,297 non-Medicaid births, DMAS assumes that ten percent, or 6,327 per year, would be presumptively enrolled through the proposed program. The average cost per person in the current presumptive eligibility aid category for pregnant women is estimated at \$1,111 and assumed to grow at five percent per year. With one

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State Fiscal Impact Statement

month claims lag (\$0.6 million), DMAS estimates costs of \$6.4 million total funds (\$3.2 million general fund) in FY 2026 and \$7.4 million total funds (\$3.7 million general fund) in FY 2027.

Per federal regulations a state may not hold a qualified entity liable when a person is enrolled presumptively but later denied Medicaid eligibility when a full determination is completed. DMAS reports that strong state monitoring and oversight will be necessary to ensure presumptive eligibility is effectively deployed and utilized. As such, DMAS indicates that the provisions of this bill would require additional administrative effort. It is estimated that DMAS would need \$4.7 million (\$1.3 million general fund) and nine additional positions in FY 2026 to implement the provisions of this bill. Specifically, the agency would need resources to:

- Accept, review and effectuate presumptive eligibility enrollments from the qualified entities.
- Review enrollments and claims conducted by qualified entities for program integrity purposes.
- Process presumptive eligibility claims and ensure claims only include appropriate services.
- Perform monitoring of enrollments in agency systems.
- Ensure program compliance and monitor for fraud, abuse, and waste.
- Set up and maintain contract agreements with qualified entities, including Federally Qualified Health Centers in Virginia.
- Modify the CoverVA contract to review additional applications.
- Add these new eligibility fields to support presumptive eligibility.

The total cost of implementation is estimated to be \$11.1 million (\$4.5 million general fund) in FY 2026 and \$9.6 million (\$4.4 million general fund) in FY 2027.

Other: The introduced budget includes language in Item 288 that requires a reserve amount be appropriated for new Medicaid initiatives. In addition to the cost of the initiative, the reserve equals the difference between the general fund appropriated for the initiative in FY 2026 and the highest annual general fund cost of the initiative over the next six fiscal years. While not reflected in the table below, the reserve amount is estimated at \$1.7 million general fund for the initiative required by this bill. Act language also delays initiative implementation until the reserve requirement is met. This bill is similar to HB 2102.