Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: SB 831 S1 Patron: Locke

Bill Title: Pregnant individuals; DMAS to seek federal authority to implement presumptive eligibility,

etc.

Bill Summary: The substitute bill directs the Department of Medical Assistance Services (DMAS) to seek federal authority to implement presumptive eligibility for pregnant individuals. Once federal approval is provided, DMAS (i) must authorize certified nurse midwives and licensed certified midwives to make determinations of presumptive eligibility for pregnant individuals and (ii) may authorize Federally Qualified Health Centers and community action agencies to make determinations of presumptive eligibility for pregnant individuals. Furthermore, DMAS is authorized to add other qualified entities, including health care providers, community-based organizations, elementary or secondary schools, or any other entity that the department determines to be capable of making such determinations. The department must also set performance standards for such entities to remain qualified.

Budget Amendment Necessary: Yes **Items Impacted:** 288 and 292

Explanation: Funding is required under both Medicaid Program Services and Administrative and Support

Services. Note: This FIS has been revised to correct the anticipated general fund and nongeneral fund expenditure impact. The total expected cost for this proposal has not

changed.

Fiscal Summary: The proposed legislation will require expenditures for which the agency is not currently appropriated. See table and fiscal analysis below.

General Fund Expenditure Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030		
DMAS (602)	-	\$4,469,269	\$4,392,431	\$4,575,516	\$4,767,756	\$4,969,608		
Nongeneral Fund Expenditure Impact:								

<u>Agency</u>	FY2025	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>
DMAS (602)	-	\$6,673,785	\$5,187,893	\$5,373,857	\$5,569,120	\$5,774,145

Position Impact:

<u>Agency</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	FY2030
DMAS (602)	-	9.0	9.0	9.0	9.0	9.0

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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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.