

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 500

PRINTER NO. 484

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 15, 2023

PRIME SPONSOR

Senator Brooks

DESCRIPTION

Senate Bill 500 amends the Human Services Code to establish Owen’s Law which provides Medical Assistance coverage for pasteurized donor human milk.

The bill amends the Human Services Code to add a section entitled Medical Assistance Coverage for Pasteurized Donor Human Milk. Notwithstanding any other provision of law, pasteurized donor human milk (PDHM) and related processing costs shall be considered a compensable item under the Medical Assistance program if:

- The PDHM is medically prescribed for an inpatient infant or an outpatient infant in accordance with this section; and
- The infant’s mother is medically or physically unable to produce maternal breast milk or produce maternal breast milk in sufficient quantities to meet the infant’s needs or if the maternal breast milk is contraindicated.

The bill states that the cost of PDHM shall be reimbursed under the Medical Assistance program for:

- An inpatient infant for whom the volume of the PDHM usage shall be tracked during the inpatient infant’s stay, charged and reimbursed through the inpatient stay payment; and
- An outpatient infant for whom the volume of the PDHM usage shall be calculated and charged throughout the course of the outpatient infant’s treatment and reimbursed to the licensed milk bank providing PDHM for that infant.

Senate Bill 500 states that the Department of Human Services (department) shall biennially update its written guidance on PDHM and the Medical Assistance Program Outpatient Fee Schedule to reflect a Medical Assistance fee for PDHM that is commensurate with the current average national cost for non-profit milk banks. The updated PDHM guidance shall be posted on the department’s publicly accessible internet website.

The bill requires that the department, in collaboration with the Department of Health, shall develop and conduct a public information campaign to inform families and health care providers of the availability of pasteurized donor human milk to treat inpatient infants and outpatient infants, as provided in this section and as medically necessary, including the availability of coverage through the Medical Assistance program.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

This act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 500 will have no fiscal impact to the Department of Health to conduct a public information campaign and development of educational materials. The Department of Health can accomplish these administrative functions within its current complement and budgetary levels.

The estimated cost to the Department of Human Services is \$4.928 million in total funds (\$1.971 million in state funds). This estimate is based upon the Department of Health's very low birth rate data (approximately 2,000 infants) with the Medical Assistance program being responsible for 50% of the infants, at an average cost of \$4.50 per ounce (based on rates from the National Association of Neonatal Nurses over a period of six months) and a 20% participation rate.