

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 650 - HB 932

March 14, 2021

SUMMARY OF BILL: Adds doula services to the kinds of medical services to be provided to TennCare enrollees. Requires that the doula services be performed by a person who has received a certain certification.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$901,800/FY21-22 and Subsequent Years

Increase Federal Expenditures – \$1,773,800/FY21-22 and Subsequent Years

Assumptions:

- In calendar year 2019, the Division of TennCare (Division) covered 47,781 births. This number is assumed to remain constant.
- This estimate assumes 20 percent of women will opt for doula services, or 9,556 (47,781 x 20.0%), at a reimbursement rate of \$350 per birth. It is assumed the Division will experience a 20 percent return on investment, or \$70 (\$350 x 20.0%), due to improved outcomes for offering doula services.
- The recurring increase in expenditures is estimated to be \$2,675,680 [(9,556 x (\$350 - \$70))] beginning in FY21-22.
- Medicaid expenditures receive matching funds at a rate of 66.295 percent federal funds to 33.705 percent state funds. Of this amount, \$901,838 (\$2,675,680 x 33.705%) will be in state funds and \$1,773,842 (\$2,675,680 x 66.295%) will be in federal funds.
- The Division will have to request a State Plan Amendment change from the Centers for Medicare and Medicaid Services to provide such services; however, this can be done utilizing existing resources.

IMPACT TO COMMERCE:

Increase Business Revenue – \$2,675,700/FY21-22 and Subsequent Years

**Increase Business Expenditures –
Less than \$2,675,700/FY21-22 and Subsequent Years**

Assumptions:

- Individuals who provide doula services will experience an increase in business revenue for providing services estimated to be \$2,675,680.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the increase in business expenditures is estimated to be less than \$2,675,680.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, slightly slanted style.

Bojan Savic, Interim Executive Director

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