

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7149
BILL NUMBER: SB 298

NOTE PREPARED: Jan 1, 2021
BILL AMENDED:

SUBJECT: Doula Services.

FIRST AUTHOR: Sen. Breaux
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide coverage for services provided by a doula to a covered individual before, during, and after childbirth. It also requires Medicaid reimbursement for doula services (current law allows for reimbursement).

The bill requires the Office of the Secretary of Family and Social Services (FSSA) to establish a separate category within Medicaid for providers of doula services for reimbursement purposes, and it requires the FSSA to establish and maintain a doula registry.

Effective Date: July 1, 2021.

Explanation of State Expenditures: The bill potentially increases medical services costs for the state health plan, and Medicaid. An increase in premium costs for the state health plans may be mitigated with adjustments to other benefits, or through the division of premium costs between the state and state employees. Medicaid is a jointly funded program with the state share of approved medical services being 34% in FY 2021. Improved birth outcomes or reduced maternal mortality would mitigate the direct costs of doula services.

The FSSA will have increased workload to develop a reimbursement category for doulas, seeking approval from the Centers for Medicare and Medicaid, and developing a doula registry. These requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Information - State Health Plans: Doula services are not covered under the current state employee health plan design. Routine prenatal visits, delivery, and postnatal visit costs are bundled in the maternity global fee. To the extent that doula services are separate from routine care and may be provided by practitioners not in the obstetric practice providing maternity care, the addition of doula services may affect health insurance premium amounts.

Medicaid: Reimbursing doula services could eventually increase the state share of Medicaid costs by between \$283,000 and \$643,000, based on a 3% utilization rate among the 63,000 births paid by Medicaid annually. Indiana does not require doulas to be licensed; however, private organizations offer training and certification within Indiana. Reported Medicaid reimbursement for prenatal visits and delivery attendance is between \$441 and \$1,000 in other states. In the private market, doula fees range between \$350 and \$1,200 for delivery, while hourly rates pre- and postpartum range between \$27 and \$35 per hour.

Federal Medicaid requirements include reimbursement of billing from a physician or other licensed provider. Three other states provide doula services through their Medicaid programs, Minnesota, New York, and Oregon. These three states use different methods to reimburse doulas through Medicaid, including direct reimbursement by requiring certification through state designated programs or state registration, and indirectly by working through other licensed providers.

While there is no report on the percentage of pregnant women who use doula services with coverage through these programs, a 2013 survey found 6% of pregnant women used a doula, up from an estimated 3% in a prior survey. [LSA used the lower percentage to estimate usage in the early years of the program. To the extent participation is greater, costs may increase.]

Improved birth outcomes and reduced maternal mortality with a doula present have been documented in the literature most often among the Medicaid population. A cost benefit analysis from the Oregon Health and Science University demonstrated cost savings when the doula costs are below \$159.73 per delivery. Indiana has sponsored doula services through a pilot program under a Title V grant.

Explanation of State Revenues: If total insurance premiums were to increase as a result of increases to maternity coverage, revenue to the state General Fund could increase from either adjusted gross income tax or insurance premium tax collections. Any impact is anticipated to minimal.

Explanation of Local Expenditures: The bill potentially impacts local units of government who offer health insurance coverage for employees through a nonERISA plan. Added local health coverage costs may be mitigated with adjustments to other benefits or to the total employee compensation packages, or through the division of costs between the local unit and employees.

Explanation of Local Revenues:

State Agencies Affected: FSSA, State Personnel Department, all state agencies.

Local Agencies Affected: Local units providing health insurance coverage.

Information Sources: Platt, Taylor and Kaye, Neva, *Four State Strategies to Employ Doulas to Improve Maternal Health and Birth Outcomes in Medicaid*, NASHP, July 6, 2020; Strauss, Nan, Giessler, Katie, McAllister, Elan, *How Doula Care Can Advance the Goals of the Affordable Care Act: A Snapshot From New York City*, *Journal of Perinatal Education*, 2015, 24(1): 8-15;

<https://www.dona.org/become-a-doula/birth-doula-certification/>;
<https://www.ecommunity.com/services/womens-care/pregnancy-and-planning/discover-doulas>;
<https://www.franciscanhealth.org/health-care-services/doula-services-475>;
[https://www.whattoexpect.com/pregnancy/hiring-doula#:~:text=The%20cost%20of%20a%20doula,post%20D%20delivery%20follow%20Dup](https://www.whattoexpect.com/pregnancy/hiring-doula#:~:text=The%20cost%20of%20a%20doula,post%20D%20delivery%20follow%20Dup;);
<https://www.oregon.gov/oha/oei/reports/Using%20Doulas%20to%20Improve%20Birth%20Outcomes%20for%20Underserved%20Women%20in%20Oregon%20-%20Appendices.pdf>, Appendix H: Cost Benefit.

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