

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1136 - SB 1116

March 7, 2019

SUMMARY OF BILL: Directs the Commissioner of the Department of Finance and Administration (F&A) to submit a waiver amendment to the existing TennCare II waiver or a new waiver to the Centers for Medicare and Medicaid Services (CMS) in order to improve access to and quality of evidence-based home visitation services for the families of babies suffering from neo-natal abstinence syndrome (NAS) or related conditions for eligible residents of this state in order to promote positive health and well-being outcomes. Requires the Commissioner to submit the waiver amendment or new waiver within 120 days of the effective date.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$949,900/FY19-20
\$1,899,900/FY20-21 and Subsequent Years**

**Increase Federal Expenditures - \$1,793,600/FY19-20
\$3,587,100/FY20-21 and Subsequent Years**

Assumptions:

- The Department of Health participates in a similar program: the Maternal, Infant, Early Childhood Home Visiting (MIECHV) Program. It gives pregnant women and families, particularly those considered at-risk, necessary resources and skills to raise children who are physically, socially, and emotionally healthy. The average cost per child for the MIECHV program was \$5,487 per year in FY17-18.
- Based on information provided by the Division of TennCare (Division), the Division covers approximately 1,000 infants per year who are born with NAS.
- It is assumed that 50 percent or 500 (1,000 infants x 50.0%) families of infants will participate for an average of 24 months in home visitation services.
- The total increase in expenditures is estimated to be \$2,743,500 (500 infants x \$5,487 cost) in FY19-20. Assuming an additional 500 families will begin participation in FY20-21 and a leveling off thereafter, the recurring increase in expenditures in FY20-21 and subsequent years is estimated to be \$5,487,000 (1,000 infants x \$5,487 cost).
- Medicaid expenditures receive matching funds at a rate of 65.375 percent federal funds to 34.625 percent state funds.

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- In FY19-20, \$949,937 ($\$2,743,500 \times 34.625\%$) will be in state funds and \$1,793,563 ($\$2,743,500 \times 65.375\%$) will be in federal funds.
- In FY20-21 and subsequent years, \$1,899,874 ($\$5,487,000 \times 34.625\%$) will be in state funds and \$3,587,126 ($\$5,487,000 \times 65.375\%$) will be in federal funds.

IMPACT TO COMMERCE:

**Increase Business Revenue - \$2,743,500/FY19-20
\$5,487,000/FY20-21 and Subsequent Years**

**Increase Business Expenditures – Less than \$2,743,500/FY19-20
Less than \$5,487,000/FY20-21 and
Subsequent Years**

Assumptions:

- Agencies that provide home visitation services will experience a recurring increase in business revenue for providing services of \$2,743,500 in FY19-20 and \$5,487,000 in FY20-21 and subsequent years.
- The increase in business expenditures is estimated to be less than \$2,743,500 in FY19-20 and subsequent years and less than \$5,487,000 in FY20-21 and subsequent year for companies to retain solvency.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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