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Final Fiscal Note

Drafting Number: LLS 24-0137 Date: July 22, 2024
Prime Sponsors: Sen. Fields; Buckner Bill Status: Signed into Law
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Bill Topic: IMPROVING PERINATAL HEALTH OUTCOMES

Summary of Fiscal Impact: [ ] State Revenue [ ] State Transfer [ ] Local Government
[ x ] State Expenditure [ ] TABOR Refund [ ] Statutory Public Entity

The bill creates and modifies multiple programs concerning perinatal health. Starting in FY 2024-25, the bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires and includes appropriations totaling \$1,328,652 to the Department of Public Health and Environment

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 24-175

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Federal Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

## **Summary of Legislation**

The bill creates and modifies multiple programs concerning perinatal health, as discussed below.

**Doula service coverage.** The bill requires large employer health benefit plans to cover doula services to the extent practical and with the same provider qualification requirements as required by Medicaid. It requires other state-regulated insurance plans to cover doula services to the extent they are reimbursed by other providers until the federal Department of Health and Human Services confirms the Department of Regulatory Agency's (DORA) state defrayal determination, or 365 days after submission if no response is received.

**Maternal and infant health quality improvement initiatives.** The bill mandates hospitals that provide labor and deliver or neonatal care services to participate in at least one maternal or infant health quality improvement initiative and meet reporting requirements.

**Perinatal Health Quality Improvement Engagement Program.** The bill requires the Department of Public Health and Environment (CDPHE), in collaboration with the Perinatal Quality Collaborative (PQC), to:

- create the Perinatal Health Quality Improvement Engagement Program to distribute grants to select hospitals to meet the mandate;
- track implementation of the recommendations of the Colorado Maternal Mortality Review Committee;
- implement their own initiatives to improve maternal mortality and morbidity; and
- address discrepancies in care.

**Choline supplements.** The bill requires the Department of Health Care Policy and Financing to cover over-the-counter choline supplements.

## **State Expenditures**

The bill increases state expenditures in CDPHE by about \$1.3 million annually, paid from the General Fund. Starting in FY 2025-26, the bill increases state expenditures in HCPF by \$524,000 annually paid from the General Fund and federal funds. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 24-175**

	FY 2024-25	FY 2025-26
<b>Department of Public Health and Environment</b>		
Personal Services	\$70,830	\$70,830
Operating Expenses	\$1,152	\$1,152
Capital Outlay Costs	\$6,670	-
Service Costs	\$1,250,000	\$1,250,000
Centrally Appropriated Costs <sup>1</sup>	\$17,018	\$17,018
FTE – Personal Services	0.9 FTE	0.9 FTE
<b>CDPHE Subtotal</b>	<b>\$1,345,670</b>	<b>\$1,339,000</b>
<b>Department of Health Care Policy and Financing</b>		
Choline Supplement Coverage	-	\$524,400
<b>HCPF Subtotal</b>	<b>-</b>	<b>\$524,400</b>
<i>General Fund</i>	-	\$247,359
<i>Federal Funds</i>	-	\$277,041
<b>Total</b>	<b>\$1,345,670</b>	<b>\$1,863,400</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>0.9 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Public Health and Environment.** CDPHE requires staff and contract funds to operate the grant program, and staff to track implementation of the Colorado Maternal Mortality Review Committee’s recommendations. The fiscal note assumes that CDPHE’s current efforts concerning perinatal health outcomes meet the other requirements of the bill.

- **Staff.** CDPHE requires 0.9 FTE, of which 0.7 FTE will operate the grant program, solicit grant applications, select the grant recipients, and provide technical assistance, and the remaining 0.2 FTE will meet the reporting requirements of the bill and assist the PQC in tracking implementation of the Colorado Maternal Mortality Review Committee’s recommendations by developing reasonable metrics.
- **Service costs.** CDPHE will contract with the PQC to meet the service requirements of the bill. Currently, the PQC assists 36 hospitals in implementing and maintaining initiatives to improve outcomes at a cost of about \$66,000 per hospital. There are an additional 19 hospitals that would be subject to the mandate to participate in at least one initiative. The fiscal note includes \$1.25 million in funding, enough to support all 19 additional hospitals.

**Department of Health Care Policy and Financing.** Starting in FY 2025-26, the bill requires HCPF to cover doula services for its Children’s Health Plan Plus members (CHP+) and choline supplements for its Medicaid members. HCPF already covers doula services for all members. Per HCPF policy, choline can only be covered when prescribed. Supply may be limited, especially in the first year, as a result of this restriction, as choline manufacturers’ administrative focus is typically on the over-the-counter market. The fiscal note assumes that all members who take prescription prenatal vitamins will take choline once covered at a cost of about \$50 per pregnancy. The prescription is assumed to receive a federal match of 52.8 percent.

**Department of Regulatory Agencies.** DORA may experience an increased workload, as the bill could result in health insurance carriers filing for a rate adjustment. The fiscal note assumes that this can be accomplished within existing resources.

**State employee insurance.** State employee insurance is subject to state regulation and would be required to comply with the coverage requirement in the bill. Any cost increase could contribute to higher insurance premiums, which would be shared by state agencies and employees. Because insurance premiums are influenced by a number of variables and the cost share between the state and employees has not been determined for future fiscal years, a cost to the state is not estimated.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

## Effective Date

This bill was signed into law by the Governor and took effect on June 5, 2024.

## State Appropriations

For FY 2024-25, the bill requires and includes a General Fund appropriation of \$1,328,652 to the Department of Public Health and Environment, and 0.9 FTE.

## State and Local Government Contacts

Behavioral Health Administration  
Information Technology  
Regulatory Agencies

Corrections  
Human Services

Health Care Policy and Financing  
Public Health and Environment

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).