

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5021

STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 26, 2019

SUMMARY

- Synopsis:** Requires Medicaid coverage for group prenatal care services under certain circumstances.
- Type of Impact:** Decrease of State expenditures and revenue; General Fund.
- Agencies Affected:** Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Expenditure Decrease	Indeterminate
State Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill may result in an indeterminate decrease in expenditures to the State due to the provision of group prenatal care services to pregnant women who receive health care services under the State’s Medicaid program. Any savings realized by the State under the bill will be matched by a decrease in federal Medicaid funds.
- While the bill does not specify a reimbursement rate for group prenatal services, this estimate assumes that the rate will be less than the rate for one-on-one prenatal services provided under the Medicaid program, that eligible women will utilize group prenatal services as a replacement for one-on-one prenatal services, and that the number of group prenatal visits per eligible Medicaid enrollee will be comparable to the number of one-on-one prenatal services per eligible enrollee.
- Furthermore, research suggests that the provision of group prenatal services is associated with improved maternal outcomes. Therefore, the OLS concludes that there may be additional long-term cost savings due to the decrease in medical costs associated with the care of mothers and infants.
- The OLS cannot predict the magnitude of the potential State savings that may result from this bill, but notes that the uptake of this benefit will be limited, at least initially, by the



availability of accredited Centering Healthcare Institute (CHI) sites to provide the services. According to the CHI website, there are currently 12 CenteringPregnancy sites in the State; however only three have successfully gone through CHI's Accreditation process, which is a requirement for the provision of group prenatal services under the bill.

BILL DESCRIPTION

The bill provides for an expansion of the State Medicaid program to include coverage of group prenatal care services under certain circumstances. As used in the bill, “group prenatal care services” means a series of prenatal care visits provided in a group setting which are based upon the CenteringPregnancy model developed by the Centering Healthcare Institute and which include health assessments, social and clinical support, and educational activities.

Specifically, this bill provides that coverage under the Medicaid program includes expenses incurred for the provision of group prenatal care services to a pregnant woman, provided that:

(1) the provider of services: (a) is a site accredited by the Centering Healthcare Institute that utilizes the CenteringPregnancy model; and (b) incorporates the applicable information outlined in any best practices manual for prenatal and postpartum maternal care developed by the Department of Health into the curriculum for each group prenatal visit;

(2) each group prenatal care visit is at least 1.5 hours in duration, with a minimum of two women and a maximum of 20 women in participation; and

(3) no more than 10 group prenatal care visits occur per pregnancy.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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One factor of the bill’s impact on State expenditures is the number of individuals who will be provided group prenatal care services under the bill. According to the New Jersey Health Assessment Data website, 31,151 of the 101,154 births in New Jersey in CY 2017 were financed by Medicaid, in CY 2016, there were 31,877 Medicaid births and in CY 2015 there were 30,986. The OLS, however, cannot predict how this population may change from year to year, or, more significantly, what portion of this population may choose to utilize group prenatal care services, rather than one-on-one prenatal visits.

Furthermore, research suggests that the provision of group prenatal services is associated with improved maternal outcomes. Therefore, the OLS concludes that there may be additional long-term cost savings due to the decrease in medical costs associated with the care of mothers and infants. For reference, a study performed in collaboration between the South Carolina Department of Health and Human Services, which provides a Medicaid group prenatal visit benefit, and the University of South Carolina estimated that CenteringPregnancy participation reduced the risk of premature birth and of a neonatal intensive care unit stay, as well as the incidence of delivering an infant with low birth weight. The study concluded that, after considering the state investment of \$1.7 million to provide group prenatal services to Medicaid beneficiaries, there was an estimated return on investment of nearly \$2.3 million.¹

The OLS cannot predict the magnitude of the potential State savings that may result from this bill, but notes that the uptake of this benefit will be limited, at least initially, by the availability of accredited Center Healthcare Institute (CHI) sites to provide the services. According to the CHI website, there are currently 12 CenteringPregnancy sites in the State; however only three have successfully gone through CHI's Accreditation process, which is a requirement for the provision of group prenatal services under the bill.

Section: Human Services

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

¹ <https://link.springer.com/article/10.1007%2Fs10995-016-1935-y>