

March 15, 2016

The Honorable Mary Pilcher-Cook, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

SUBJECT: Fiscal Note for SB 495 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 495 is respectfully submitted to your committee.

SB 495 would eliminate medical assistance coverage for any elective induced labor procedure prior to 39 weeks of pregnancy. The program of medical assistance coverage is administered by the Kansas Department of Health and Environment (KDHE).

The Kansas Statewide Efficiency Review by Alvarez and Marcel included a Healthy Birth Outcomes Initiative that could save the state approximately \$2.0 million in FY 2017 by eliminating medical assistance payments for early elective C-section births. The recommendation was based on data showing that in 2014 there were 30,193 births recorded for which Medicaid paid approximately 34.0 percent of the costs. The average cost for a vaginal birth was \$11,180 and \$17,391 for cesarean births. The *Review* further states that more than 25.0 percent of Kansas births fewer than 39 weeks in gestation were elective C-sections.

KDHE has no way to accurately estimate the number of payments that would be affected by SB 495 because the Department does not collect data through the KanCare program that would identify elective early deliveries for beneficiaries. Any fiscal effect associated with SB 495 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Aaron Dunkel, Health & Environment