

# **SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL**

## **2023 South Dakota Legislature**

FISCAL NOTE 2023-FN106A

SB106, An Act to expand postpartum medicaid coverage.

This bill would require the Department of Social Services (DSS) to submit a state plan amendment to the Centers of Medicare and Medicaid Services (CMS) to extend postpartum care from two months to twelve months. Assuming CMS accepts the amended state plan, mothers who have given birth while enrolled in Medicaid would have their coverage for postpartum care increased from two months to twelve months. This is to cover any medical needs for both mother and child and is used on needed basis.

In FY 2022, DSS reported 1,461 mothers were on postpartum care in Medicaid. The Medicaid cost for postpartum treatment is \$326.59 per member per month. For purposes of this analysis, the focus is on postpartum depression, very early premature births, and birth defects as the possible main reasons to use postpartum Medicaid past two months.

According to the Department of Health, roughly 12.6% of mothers in South Dakota have experienced postpartum depression in the first year. The number of mothers experiencing postpartum depression could be 184. The treatment of postpartum depression can last between 6 to 12 months with 9 months used for this analysis. The total cost to treat postpartum depression could be \$540,833, calculated by taking 184 mothers times 9 months times \$326.59. The first two months of Medicaid is already covered in the current state plan and budget. The additional total cost could be \$420,648.

According to the Center of Disease Control and Prevention, roughly 3% of all births in South Dakota involve birth defects involving lifelong treatment. The number of births under Medicaid involving birth defects could be 44. Treatment of birth defects could likely continue for the 12 months of Medicaid. The total cost to treat birth defect children under postpartum Medicaid could be \$172,440, calculated by taking 44 births times 12 months times \$326.59. The first two months of Medicaid is covered in the current state plan and budget. The additional total cost could be \$143,700.

According to the March of Dimes, premature births before the 27th week of gestation are 1.1% of all births in South Dakota. In the population of 1,461 births covered by Medicaid, this could be 16 births. Births before the 27th week face the most difficult medical problems and are in the hospital on average for four months. Premature births after the 27th week are resolved weeks after birth and would be covered by the current Medicaid state plan. The total cost of treatment of these births, assuming a stay of four months, could be \$20,902, calculated by taking 16 births times 4 months times \$326.59. The first two months of Medicaid is covered in the current state plan. The additional total cost could be \$10,451.

The total cost for all three groups could be \$547,799. The total cost would be split between the federal government and South Dakota at the base FMAP rate. In FY 2024, the blended FMAP rate is 44.58%. DSS would need an additional \$244,209 in general funds and an additional \$303,590 in federal expenditure authority to cover the additional costs in this bill.

It is assumed all mothers qualify for base Medicaid; however, if any mothers would be in the Medicaid expansion group, the total cost to the state general fund would be less.

Data for this analysis came from the Department of Social Services, the South Dakota Department of Health, the Center of Disease Control, and the March of Dimes.

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