

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1804 - HB 1847**

February 18, 2020

**SUMMARY OF BILL:** Adds doula services to the kinds of medical services to be provided to TennCare enrollees. Requires that the doula services be performed by a person who has received a certain certification.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$926,800/FY20-21 and Subsequent Years**

**Increase Federal Expenditures - \$1,789,200/FY20-21 and Subsequent Years**

Assumptions:

- In calendar year 2018, the Division of TennCare (Division) covered 48,498 births. This number is assumed to remain constant.
- This estimate assumes 20 percent of women will opt for doula services, or 9,700 (48,498 x 20.0%), at a reimbursement rate of \$350 per birth. It is assumed the Division will experience a 20 percent return on investment, or \$70 (\$350 x 20.0%), due to improved outcomes for offering doula services.
- The recurring increase in expenditures is estimated to be \$2,716,000 [(9,700 x (\$350 - \$70))] beginning in FY20-21.
- Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds. Of this amount, \$926,754 (\$2,716,000 x 34.122%) will be in state funds and \$1,789,246 (\$2,716,000 x 65.878%) will be in federal funds.
- The Division will have to request a State Plan Amendment change from the Centers for Medicare and Medicaid Services to provide such services; however, this can be done utilizing existing resources.

**IMPACT TO COMMERCE:**

**Increase Business Revenue – \$2,716,000/FY20-21 and Subsequent Years**

**Increase Business Expenditures –  
Less than \$2,716,000/FY20-21 and Subsequent Years**

Assumptions:

- Individuals who provide doula services will experience an increase in business revenue for providing services estimated to be \$2,716,000.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the increase in business expenditures is estimated to be less than \$2,716,000.

**CERTIFICATION:**

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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