



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0862 - Prohibit use of public funds for abortion and exceptions (Hopkins, Mike)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2024 Difference</u> | <u>FY 2025 Difference</u> | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures: | | | | |
| General Fund | (\$283,969) | (\$306,164) | (\$329,111) | (\$354,035) |
| Revenue: | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |
| Net Impact-General Fund Balance: | <u>\$283,969</u> | <u>\$306,164</u> | <u>\$329,111</u> | <u>\$354,035</u> |

Description of fiscal impact: HB 862 limits public funding of abortions except in limited circumstances. The limited circumstances outlined in Section 1 of this bill are consistent with the Hyde amendment, which limits federal funding of abortion. Montana Medicaid currently covers medically necessary abortions that aren't covered under the Hyde amendment with general fund. HB 862 would eliminate the use of general fund for these abortions.

FISCAL ANALYSIS

Assumptions:

1. There were 648 Medicaid covered abortions using state-only funds in FY 2022. Based on the most recent 5-year total abortion count average, there is expected to be a 2.6% annual growth. The estimated number of Medicaid covered abortions impacted by HB 862 for FY 2024 are 682; FY 2025 are 700, FY 2026 are 718, and FY 2027 are 737.
2. The FY 2022 rate for an abortion covered by Medicaid was \$398.23. The inflationary rate according to the 12-month ending June 2022 CPI for Medical Care Services was 4.8%. The department assumes the rate for an abortion in FY 2024 is \$437.38; FY 2025 is \$458.37, FY 2026 is \$480.37, and FY 2027 is \$503.433.
3. Administrative Rules (ARM) will be updated to reflect the changes from this bill. The Secretary of State's office charges \$60/page filing fee. It is estimated there will be eleven pages for the ARM update. The department assumes the cost associated to update all program materials to reflect this change will be a one-time cost of \$660.

For FN Assumptions Write Up:

| TING THE USE OF PUBLIC FUNDS FOR ABORTION; PROVIDING EXCEPTIONS; PROVIDING AN APPROPRIATION; AND | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | SFY 2024 | SFY 2025 | SFY 2026 | SFY 2027 |
| Total Mid-Level Abortions | 682 | 700 | 718 | 737 |
| Total Per Procedure Cost | \$ 417.35 | \$ 437.38 | \$ 458.37 | \$ 480.37 |
| Caseload Growth at 2.6% | | | | |
| Medical Care Services CPI at 4.8% | | | | |
| Estimated Expenditure Savings for State Funded Abortions | \$ (284,629) | \$ (306,164) | \$ (329,111) | \$ (354,035) |
| FMAP | SFY 2024 | SFY 2025 | SFY 2026 | SFY 2027 |
| Claim Cost | | | | |
| State Share | 100.00% | 100.00% | 100.00% | 100.00% |
| Federal Share | 0.00% | 0.00% | 0.00% | 0.00% |
| FUNDING | SFY 2024 | SFY 2025 | SFY 2026 | SFY 2027 |
| State - Claim Cost | \$ (284,629) | \$ (306,164) | \$ (329,111) | \$ (354,035) |
| Federal - Claim Cost | \$ - | \$ - | \$ - | \$ - |

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Expenditures:

| | | | | |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Operating Expenses | \$660 | \$0 | \$0 | \$0 |
| Benefits | (\$284,629) | (\$306,164) | (\$329,111) | (\$354,035) |
| TOTAL Expenditures | (\$283,969) | (\$306,164) | (\$329,111) | (\$354,035) |

Funding of Expenditures:

| | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund (01) | (\$283,969) | (\$306,164) | (\$329,111) | (\$354,035) |
| TOTAL Funding of Exp. | (\$283,969) | (\$306,164) | (\$329,111) | (\$354,035) |

Revenues:

| | | | | |
|-----------------------|------------|------------|------------|------------|
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| TOTAL Revenues | \$0 | \$0 | \$0 | \$0 |

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

| | | | | |
|-------------------|-----------|-----------|-----------|-----------|
| General Fund (01) | \$283,969 | \$306,164 | \$329,111 | \$354,035 |
|-------------------|-----------|-----------|-----------|-----------|

Technical Notes:

1. HB 862 language conflicts with HB 544.

| | | | |
|---|--------------------------------|--|--------------------------------|
| <u> MH </u> Sponsor's Initials | <u> 3/23/23 </u> Date | <u> [Signature] </u> Budget Director's Initials | <u> 3-23-23 </u> Date |
|---|--------------------------------|--|--------------------------------|