



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 1056 and 1057 (Substitute S-1 as passed by the Senate)
Senate Bill 1058 (as passed by the Senate)
Sponsor: Senator Erika Geiss (S.B. 1056)
Senator Sylvia Santana (S.B. 1057)
Senator Sarah Anthony (S.B. 1058)
Committee: Housing and Human Services

Date Completed: 1-27-25

CONTENT

Senate Bill 1056 (S-1) would amend the Social Welfare Act to allow a Medicaid eligible individual to receive coverage for donor human milk for the individual's infant for two years after childbirth if a provider prescribed the donor human milk, the birthing person could not provide milk, and the infant was born before thirty-four weeks or weighed less than 1,800 grams at birth.

Senate Bill 1057 (S-1) would amend the Social Welfare Act to allow a Medicaid eligible individual to receive perinatal and gynecological services if the Department of Health and Human Services (DHHS) applied to the United States Department of Health and Human Services (USDHHS) to provide such services under the Healthy Michigan Plan (HMP).

Senate Bill 1058 would amend the Social Welfare Act to require the DHH to provide coverage under the HMP for ultrasound procedures and fetal nonstress tests performed remotely or through telemedicine.

Senate Bill 1057 is tie-barred to House Bill 5636, which would amend the Public Health Code to enact Part 207 (Freestanding Birth Centers) to establish licensure for freestanding birth centers. Senate Bill 1056 would take effect January 1, 2026.

Senate Bill 1056 (S-1)

The Social Welfare Act governs the HMP, which is Michigan's Medicaid-expansion program that provides low-income individuals in the State with health insurance. The bill would amend the Social Welfare Act to allow a Medicaid eligible individual to receive medical assistance coverage for donor human milk for the eligible individual's infant for up to two years after the eligible individual was discharged from the hospital after childbirth or two years after childbirth if the following conditions were met:

- A provider wrote a prescription for the donor human milk.
- The birthing person could not provide milk and the infant was born before the thirty-fourth week of the pregnancy or weighed less than 1,800 grams at birth.

Senate Bill 1057 (S-1)

The Social Welfare Act prescribes specific services that may be covered under HMP health insurance plans, such as hospital services and physician services. The bill would amend the Act to allow Medicaid eligible individuals to receive perinatal and gynecological services if the

DHHS applied to the USDHHS for an amendment to the HMP to include the services as prescribed below.

The DHHS would have to do all the following in implementing the bill's provisions:

- Ensure that the services were provided by a perinatal or gynecological professional who was licensed, registered, or otherwise authorized to practice in the State, including health professionals working in facilities governed by House Bill 5636's proposed Part 207.
- Monitor and track contract health plan for compliance in this area and consider that compliance in any health plan incentive programs.
- Pay the same rate to a perinatal or gynecological professional working in a freestanding birth center licensed under proposed Part 207 in a manner that promoted high-quality, cost-effective, and evidence-based care, promoted high-value, evidence-based payment models, and prevented risk in subsequent pregnancies.

Senate Bill 1058

The bill would amend the Social Welfare Act to require the DHHS to provide coverage under the HMP for ultrasound procedures and fetal nonstress tests performed remotely in a residence or other off-site location through telemedicine. The DHHS would have to amend its rules for fee-for-service and medical assistance managed care plans regarding reimbursement to allow reimbursement for remote ultrasound procedures and remote fetal nonstress tests using established current procedural terminology (CPT) codes for these procedures when the patient was in a residence or other off-site location from the patient's provider and the same standard of care was met.

Under the bill, remote ultrasounds would be reimbursable only when the provider used digital technology as follows:

- To collect medical and other forms of health data from a patient and electronically transmitted that data securely to a health care provider in a different location for interpretation and recommendation.
- In a manner that complied with the Health Insurance Portability and Accountability Act and was approved by the United States Food and Drug Administration (FDA).

Remote fetal nonstress tests were reimbursable only if the following conditions were met:

- The requirements for ultrasound reimbursement described above.
- They had a place of service modifier for at-home monitoring with remote monitoring solutions that were cleared by the FDA for on-label use for monitoring fetal heart rate, maternal heart rate, or uterine activity.

The DHHS would have to adopt and publish guidelines to implement the bill's provisions.

Proposed MCL 400.109o (S.B. 1056)

Legislative Analyst: Eleni Lionas

MCL 400.109 (S.B. 1057)

Proposed MCL 400.109q and 109r (S.B. 1058)

FISCAL IMPACT

Senate Bill 1056 (S-1)

There could be a fiscal impact on the Medicaid program within the DHHS. There would be no fiscal impact on local units of government. Based on an analysis completed by the House

Fiscal Agency, the cost to the DHHS would be approximately \$26.7 million Gross and \$9.3 million General Fund/General Purpose (GF/GP). Based on an assumed utilization of 542 children consuming 30 ounces of milk per day for 365 days with a cost of \$4.50 per ounce of milk, the total cost is \$26.7 million. The Federal Medicaid match rate for Michigan is approximately 65%, so the State GF/GP cost is \$9.3 million.

Senate Bill 1057 (S-1)

There could be an uncertain fiscal impact on the Medicaid program within the DHHS. There would be no fiscal impact on local units of government. Michigan's Medicaid program provides coverage for perinatal and gynecological services provided by a physician and certified nurse midwives. Michigan Medicaid does not provide coverage for perinatal and gynecological services provided by a licensed midwife.

The fiscal impact on the State is uncertain as the bill's inclusion of coverage for perinatal and gynecological services provided by a license midwife at the same rate for the same services currently paid to perinatal care or gynecological professionals is not covered under current policy within the Michigan Medicaid program. It is unclear if there is care currently offered by licensed midwives to eligible Medicaid recipients and being paid for out-of-pocket by currently eligible Medicaid recipients. To the extent that perinatal and gynecological care demand is moved from the current provider array to an expanded provider array, there would be no net increase in cost to Michigan's Medicaid program as one care provider is being substituted in place for another. To the extent that this expansion increases the amount of perinatal and gynecological care provided, there would be an increase in Medicaid costs.

Senate Bill 1058

There could be an uncertain fiscal impact on the Medicaid program within the DHHS. There would be no fiscal impact on local units of government.

According to the most recent version available of the Medicaid Provider Manual (July 1, 2024): "The Maternity Outpatient Medical Services (MOMS) program covers outpatient pregnancy-related services for the unborn child..."

The following services are covered consistent with current MOMS policy:

- Radiology and ultrasound"

The fiscal impact on the State is uncertain as the bill's inclusion of coverage for ultrasound procedures and fetal nonstress tests performed remotely in a residence or other off-site location through telemedicine may not be covered under current policy within the Michigan Medicaid program. To the extent that the coverage described in the bill was more extensive than current practices within the DHHS, there could be a fiscal cost to the State.

Fiscal Analyst: John P. Maxwell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.