

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL

UPDATED

CORRECTED

SUPPLEMENTAL

LRB #99-2245/5

INTRODUCTION # AB632

Admin. Rule #

Subject

Parental consent for minors and contraception.

Fiscal Effect

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation

or affects a sum sufficient appropriation.

Increase Existing Appropriation

Increase Existing Revenues

Decrease Existing Appropriation

Decrease Existing Revenues

Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget  Yes  No

Decrease Costs

Local:  No local government costs

1.  Increase Costs

Permissive  Mandatory

2.  Decrease Costs

Permissive  Mandatory

3.  Increase Revenues

Permissive  Mandatory

4.  Decrease Revenues

Permissive  Mandatory

5. Types of Local Governmental Units Affected:

Towns  Villages  Cities

Counties  Others \_\_\_\_\_

School Districts  WTCS Districts

Fund Sources Affected

GPR  FED  PRO  PRS  SEG  SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

This bill prohibits state agencies and local governmental units from authorizing payments of state or local funds or federal funds passing through the state treasury to an organization that provides family planning services or pregnancy counseling to a minor if the organization prescribes, dispenses or administers to a minor a contraceptive prescription drug or device, without first notifying one of the minor's parents or guardian or legal custodian.

Under the bill, the state Medicaid program would be required to comply with the provisions. However, this statute would be in direct conflict with federal Medicaid regulations. As a result, it is possible that the federal Department of Health and Human Services (HCFA) could choose to discontinue financial participation in the state Medicaid program. HCFA could then withhold any or all of the approximate \$1.5 billion in annual federal matching funds. This bill also conflicts with the Public Health Service Act and could jeopardize other federal public health grant funds to the state.


Based upon clinical literature, it is assumed that the bill will result in an increase in the number of pregnancies among minors. It is estimated that without the unimpeded availability of family planning services, an additional 6,600 pregnancies would occur. Of these it is estimated that 50% of the individuals will carry the pregnancy to full term. Of the subsequent 3,300 births, it is estimated that 50% of these will be born to minors who based on income eligibility thresholds, will be eligible for state medical services under either the state Medicaid, Healthy Start, or BadgerCare programs. This results in an additional 1,650 birth annually, which will be covered by a state medical program. The medical cost per pregnancy for prenatal and birthing services is approximately \$2,000. This would result in an annualized cost of \$3,300,000 AF.

In addition, each child born to mother with income below 200% FPL will be eligible for state medical benefits. It is estimated that each child would remain eligible for state medical assistance in either Medicaid or BadgerCare for ten years. Although a certain percentage of these children will eventually leave state medical assisted programs, because they are born to teen mothers, the percentage is low. In addition, each mother would now continue to be eligible to receive state medical assistance even after passing the age of 18, as opposed to an adult with no dependents. It is estimated that each mother and child will be enrolled for an additional ten years of state medical assistance. Based on a \$1,500 annual capitation payment for medical service, at full implementation of the provision, the annualized cost of these individuals will be approximately \$49,500,000 AF.

In addition, by changing current practices to reduce unintended pregnancy, the motion may risk reducing the level of Wisconsin's federal funds from the TANF bonus and incentive funds. Wisconsin's pregnancy and abortion rates among adolescents have been decreasing. This provision could potential adversely affect this trend which must continue in order to receive the federal TANF bonus dollars.

Long-Range Fiscal Implications:

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Date  
1/6/00

**FISCAL ESTIMATE WORKSHEET**

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

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**I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):**

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$	\$ -
(FTE Position Changes)	( FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations	52,800,000	-
<b>TOTAL State Costs by Category</b>	<b>\$ 52,800,000</b>	<b>\$ -</b>
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 21,100,000	\$ -
FED	31,700,000	-
PRO/PRS		-
SEG/SEG-S		-
State Revenues	Increased Rev.	Decreased Rev.
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$ -</b>

**NET ANNUALIZED FISCAL IMPACT**

	STATE	LOCAL
NET CHANGE IN COSTS	\$52,800,000	\$0
NET CHANGE IN REVENUES	\$0	\$0

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