

Fiscal Estimate Narratives

DHFS 11/28/2001

LRB Number	01-1625/5	Introduction Number	AB-546	Estimate Type	Original
Subject					
Prohibit organizations that engage in abortion-related activities from receiving public funds; prohibit organizations that receive public funds from engaging in abortion-related activities					

Assumptions Used in Arriving at Fiscal Estimate

Under current law public funds may not be used for support of abortions unless the pregnancy threatens the woman's health or was caused by rape or incest. In addition, current law imposes additional restrictions in regards to the use of public funds under certain programs, such as programs supported by the federal maternal and child health services block grant, on non-profit organizations and public entities that provide all of the following services: (a) pregnancy prevention; (b) family planning; (c) pregnancy testing; (d) pregnancy counseling; (e) prenatal care; and (f) pregnancy services and reproductive health care services that are related to pregnancy. Current law prohibits the use of certain public funding for pregnancy programs, as defined, if those services do any of the following: (a) provides abortion services; (b) promotes, encourages or counsels in favor of abortion services; or (c) makes abortion referrals either directly or through an intermediary in any instance other than when an abortion is needed to save the life of the mother. Also, public funds may not be distributed to any program that receives funding from a source requiring performance of abortion related activities. Current law suspends these prohibitions if it would imply the loss of federal funds. Current law allows providing non-directive information explaining pregnancy termination.

AB 546 would modify current law to expand the restrictions on funding pregnancy programs to apply to all public programs, rather than to only certain specified programs. This expansion would apply the restrictions to pregnancy programs supported under medical assistance (MA). The legislation also adds new restrictions that must be met by pregnancy programs by: (a) requiring that affiliates of the organization that provides the pregnancy program or services also not engage in any of the prohibited activities; and (b) expanding prohibited activities to include non-medical activities such as lobbying in favor of abortion. AB 546 also eliminates the explicit authorization to provide non-directive information regarding pregnancy termination, and deletes the provision that would suspend the prohibitions if it would imply the loss of federal funds. AB 546 requires the Legislative Audit Bureau to audit organizations to determine compliance.

The fiscal impact of this bill is not possible to quantify but there could be significant increased costs to the state's family planning services and Maternal and Child Health (MCH) programs. Currently the DHFS funds family planning programs (\$1.8 million FED and \$2.0 million GPR in FY02) and Maternal and Child Health programs (\$11.7 million in FED and \$6.8 million GPR in FY02). If AB 546 becomes law, many of the county-based providers under contract to provide family planning and MCH services would be ineligible to receive funds from the state treasury. If this occurred, the state would have to find other providers to contract with unless current providers reorganize to meet the requirements of the bill. In many areas of the state, there would not be another cost-effective provider and it would therefore be very costly for the state to maintain the current level of service. If current levels of service were not maintained then there would be a risk of violating the federal maintenance of effort provisions associated with MCH and family planning grants which could trigger the loss of all federal funds for these programs.

Since AB 546 would apply the restrictions on pregnancy programs or services to all public programs, including MA, there is a potential that it might impact federal funding under MA. Federal rules require that abortions be supported in certain cases while the restrictions on pregnancy programs prohibit the provision of abortion services. However, because of the definition of pregnancy programs, the restrictions under AB 546 (or current law) apply only to organizations that provide all of the services listed above. Thus, an MA provider that provides only some of the pregnancy services would not be subject to the restrictions, and could be utilized for supporting abortions under MA-required cases. AB 546, however, may impact the state's ability under the MA program to utilize certain health organizations that offer a broad array of pregnancy services.

Long-Range Fiscal Implications