

## PURPOSE OF HB 1103

To create the Universal Newborn Home Nurse Visitation Program to provide home visitation services for a newborn infant and the parents of a newborn infant.

## ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

A handwritten signature in black ink, appearing to read "Patrick Klein".

3/13/2023

---

Patrick Klein, FSA, MAAA  
Vice President

---

Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

3/13/2023

---

Matthew Kersting, FSA, MAAA  
Vice President

---

Date

## PROJECTED COSTS

Plan	Annual Estimated Cost	Estimated Cost as a Percent of Total Annual Medical Spend
EBD	No Impact - \$931,000	0.0% - 0.2%
UOA	No Impact - \$301,000	0.0% - 0.3%
ASU	No Impact - \$22,000	0.0% - 0.1%
UCA	No Impact - \$13,000	0.0% - 0.1%
AHEC	No Impact - \$4,000	0.0% - 0.2%
NWACC	No Impact - \$3,000	0.0% - 0.1%
SAU	No Impact - \$5,000	0.0% - 0.1%

## PRICING APPROACH AND COMMENTS

House Bill 1103 requires self-insured health plans to provide newborn home nurse visitation benefits, including 1 visit within 30 days after birth, an additional 2 visits during the infants first 3 months of life, and additional support services to the parent of the newborn infant.

Cost and utilization metrics were sourced from the administrators of the university system health plans, Blue Cross and Blue Shield of Arkansas, and publicly available data. The magnitude of the fiscal impact for each plan was estimated based on a set of developed cost and utilization assumptions.

This program may have no impact on the plans, which is the low end of the range. There is uncertainty around how this will benefit will be communicated and how many counties it will be implemented in. For newborns, many of these services are already covered at 100% as preventive care provided at a pediatrician’s office. Also, women may forgo the program because they are more comfortable attending a postpartum visit with their OBGYN. Finally, there is the potential for savings resulting from avoiding postpartum complications that could offset any direct costs.

To illustrate the high end estimate, which would represent the maximum level of utilization of the program, we assumed an average cost of \$200 per home nurse visitation based on data supplied by BCBS. The utilization assumption was derived from the historical average number of births for each respective plan. Lastly, we assumed program participants would utilize all 3 of the home nurse visits available. Ultimately, we would anticipate the impact to be closer to the low estimate (i.e., no impact).

Actual legislative cost impacts to health plans may vary as actual future experience differs from the assumptions made in developing these cost estimates. Potential for actual experience to vary from the assumptions made in these estimates includes underlying changes to the cost of home nurse visitation services and changes in the incidence of childbirth for each plan.