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BILL



ANALYSIS

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House Bill 5458 (Substitute S-2 as reported)
Sponsor: Representative Michelle McManus
House Committee: Human Services
Senate Committee: Families, Mental Health and Human Services

CONTENT

The bill would add Section 109e to the Social Welfare Act to prohibit a health care professional or a health facility or agency from seeking or accepting reimbursement for the performance of an abortion knowing that public funds would be or had been used for the reimbursement in violation of Section 109a of the Act. A person who violated the bill would be liable for a civil fine of up to \$10,000 per violation. The Department of Community Health would have to investigate an alleged violation, and the Attorney General, in conjunction with the Department, could bring an action to enforce the bill. (Section 109a provides, "...an abortion shall not be a service provided with public funds to a recipient of welfare benefits, whether through a program of medical assistance, general assistance, or categorical assistance...unless the abortion is necessary to save the life of the mother...". Pursuant to U.S. District Court and Court of Appeals decisions, the State also must cover Medicaid-funded abortions for eligible women who are pregnant as a result of rape or incest.)

The bill specifies that nothing in Section 109e would restrict the right of a health care professional to discuss abortion or abortion services with a pregnant patient; that Section 109e would not create a right to an abortion; and that, notwithstanding any other provision of Section 109e, a person could not perform an abortion that was prohibited by law. The bill also contains legislative findings pertaining to Section 109a and the construction of Section 109e.

Proposed MCL 400.109d & 400.109e

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have an indeterminate fiscal impact. While there appears to be anecdotal information that some Medicaid-eligible women receive abortions by having providers bill the Medicaid program for related "pregnancy" services and then paying a nominal fee for the actual abortion, there are no definitive data as to how often these events actually occur.

One, however, can compare the approximate cost, for a single case, of abortion versus delivery. Charges for first trimester abortions run between \$250 and \$300. Second trimester abortions will cost around \$400 through the 16th week and any abortions thereafter become progressively more expensive. The total (professional pre- and post-delivery, ancillary and facility) charges will run from \$5,700 for an uncomplicated vaginal delivery to \$9,200 for an uncomplicated caesarian delivery. Obviously, any complications will only increase the total delivery charges. Likewise, a live delivery produces additional costs to the government in terms of the incremental additional costs in welfare grant payments, food stamps, and ongoing medical costs. All cost estimates are gross, meaning that the State would only be liable for about 44% of "pregnancy" related costs followed by an abortion (for which the State has no financial obligation), as well as delivery and subsequent public assistance costs.

Date Completed: 2-20-96

Fiscal Analyst: J. Walker

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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.