

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3961-01  
Bill No.: HB 1604  
Subject: Children and Minors; Health Care  
Type: Original  
Date: February 19, 2010

Bill Summary: This legislation requires all newborns to receive pulse oximetry screening prior to discharge from the health care facility.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Missouri Public Health Services	(\$47,360)	\$26,685	\$22,625
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$47,360)</b>	<b>\$26,685</b>	<b>\$22,625</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Federal	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and cost of approximately \$9,494 in FY11 and \$18,987 in FY12 and FY13 would net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Missouri Public Health Services	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### ***Section 191.334:***

Officials from the **Excelsior Springs Hospital** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health and Senior Services** assumes that tracking and follow-up of this screening procedure is required to be performed by the Department as a result of placing the proposed legislation in Section 191.331, RSMo, which deals with newborn screening requirements.

Based on an estimated incidence of critical congenital heart disease of 170 per 100,000 live births, it is anticipated there would be approximately 137 infants per year in Missouri who would have critical congenital heart disease (170 divided by 100,000 births with congenital heart disease X 81,000 births per year in Missouri = 137). There may be several thousand repeats that would be submitted, but a reasonable estimate cannot be given because of unfamiliarity and lack of information concerning this proposed screening. Source of estimate on the incidence of congenital heart defects is the magazine Pediatrics; Volume 118, Number 4 October 2006: e1250 – e1256. Report of the Tennessee Task Force on Screening Newborn Infants for Critical Congenital Heart Disease.

ASSUMPTION (continued)

A Health Program Representative II (HPR II, grade A21 - \$33,420) would be needed to track and follow-up on those infants who have had an abnormal pulse oximetry result to ensure they are entered into a system of health care. The job duties will consist of:

- informing hospitals of the legislation;
- training hospital personnel on how to report and complete the newborn screening form that pertains to documenting pulse oximetry results;
- following up on abnormal pulse oximetry results to ensure that the newborn has been treated and is in a system of health care;
- developing program rules that designate how the hospitals are to report results and what results are to be reported;
- developing informational materials for hospitals to give to parents explaining the need for the screen and how the screening is done (100,000 x \$.04);
- mailing out program evaluations to parents for their input on how to improve the program;
- recruiting a pediatric cardiologist to become a member of the Newborn Screening Standing Committee;
- collecting data from screening and reporting this information to the newborn screening committee;
- working with Office of Administration, Information Technology Services Division (ITSD) staff to add pulse oximetry screening results and diagnosis, tracking and follow-up elements to the MOHSAIC data system; and
- run monthly reports to find those newborns that did not have a pulse oximetry screen completed so the family can be contacted and have them return for the screen.

An Office Support Assistant (OSA, keyboarding, grade A09 - \$21,984) is required to enter the results of the pulse oximetry screen into MOHSAIC. The OSA will open and sort approximately 81,000 envelopes and newborn screening forms and enter approximately 81,000 pulse oximetry results into MOHSAIC (the number is based on approximately 81,000 births in Missouri in 2008).

Adding this screening to the existing newborn screening requirements will require the State Public Health Laboratory, Newborn Screening Unit to revise the newborn screening form and to purchase new forms to report the screening information. There will be no laboratory costs for screening, but the follow-up program cost for adding an additional question for pulse oximetry screening requirement is estimated to cost \$0.12 per form to print the new forms. Based on ordering 110,000 forms per year, it would cost an additional \$13,200 for the first year (\$0.12 x 110,000).

ASSUMPTION (continued)

ITSD will need to make changes to the existing data system, MOHSAIC, that captures newborn screening information to expand the newborn screening requirements to include pulse oximetry screening results. One IT Consultants would be needed to provide high-level database and programming skills for the application (520 hours x \$69.00 per hour, which is consistent with existing statewide IT Consulting contract). This results in an estimated \$35,880 cost for the first year. No costs are anticipated for succeeding years.

Officials from the **Department of Social Services** assume the proposal requires the DHSS to add pulse oximetry screening to the current newborn screening requirements. Pulse oximetry is a non-invasive test that monitors the oxygenation levels in a patient's hemoglobin. For infants, the test is usually done by placing a sensor on the infant's foot.

This is a test that is routinely given prior to discharge from the hospital. The cost for the test is part of the per diem paid to the hospital. Therefore, there will be no fiscal impact to the Hospital or Physician programs due to this provision.

The DHSS estimates that the newborn screening fee will increase by \$2.00 per screening. In FY09, the MHD was billed for approximately 15,000 newborn screenings. If the same number of screenings are billed in subsequent years the total cost for only the screenings will be about \$30,000. The MHD pays only the federal portion of these screenings (63.29% for FY11) and the DHSS pays the general revenue portion. Since the screenings are not required until January 1, 2011, there are only six months of costs in FY 11 for the MHD.

FY11 (6 months): \$9,494 federal only;  
FY12: \$18,987 federal only;  
FY13: \$18,987 federal only.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
 <b>MISSOURI PUBLIC HEALTH SERVICES FUND</b>			
<u>Income</u> - Department of Health and Senior Services			
Screening Fees	\$81,000	\$162,000	\$162,000
 <u>Costs</u> - Department of Health and Senior Services			
Personal Service	(\$28,533)	(\$58,778)	(\$60,541)
Fringe Benefits	(\$14,963)	(\$30,823)	(\$31,748)
Equipment and Expense	(\$74,860)	(\$25,106)	(\$25,860)
Program Costs	<u>(\$10,004)</u>	<u>(\$20,608)</u>	<u>(\$21,226)</u>
<u>Total Costs - DHSS</u>	<u>(\$128,360)</u>	<u>(\$135,315)</u>	<u>(\$139,375)</u>
FTE Change - DHSS	2 FTE	2 FTE	2 FTE
 <b>ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND</b>			
	<b><u>(\$47,360)</u></b>	<b><u>\$26,685</u></b>	<b><u>\$22,625</u></b>
 Estimated Net FTE Change for Missouri Public Health Services Fund			
	2 FTE	2 FTE	2 FTE
 <b>FEDERAL FUNDS</b>			
<u>Income</u> - Department of Social Services			
Federal Assistance	\$9,494	\$18,987	\$18,987
 <u>Costs</u> - Department of Social Services			
Program Costs	(\$9,494)	(\$18,987)	(\$18,987)
 <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

It will require all birthing hospitals and birthing centers to have a pulse oximeter to screen infants for low oxygen levels that can be indicative of congenital heart defects.

FISCAL DESCRIPTION

**Section 191.334:**

The proposed legislation establishes Chloe's Law which, subject to appropriations, requires the Department of Health and Senior Services to expand the newborn screening requirements to include pulse oximetry screenings by January 1, 2011.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Social Services  
Office of the Secretary of State  
Excelsior Springs Hospital



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Director  
February 19, 2010