

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1991-01  
Bill No.: HB 838  
Subject: Children and Minors; Health Care  
Type: Original  
Date: March 28, 2011

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Bill Summary: This legislation establishes Chloe’s Law which, subject to appropriations, requires the newborn screening requirements to include pulse oximetry screenings.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<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 2012	FY 2013	FY 2014
Missouri Public Health Services	\$0	\$8,396	\$18,897
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$8,396</b>	<b>\$18,897</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Missouri Public Health Services	0 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

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 Social Services-MO HealthNet Division (MHD)** states this legislation 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.

Normally, the MHD is billed by the state lab for the laboratory portion of newborn screenings and pays the federal portion of the cost while the DHSS pays for the general revenue portion.

While the DHSS will increase the cost of the newborn screening by \$2.00 to cover the cost of the pulse oximetry, the pulse oximetry is not considered part of the laboratory portion of the screening, therefore, the state lab will not bill MHD for it.

There will not be a fiscal impact to the MHD for this legislation.

ASSUMPTION (continued)

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 134 infants per year in Missouri who would have critical congenital heart disease (17 per 10,000 births with congenital heart disease X 79,000 births per year in Missouri =134). 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.

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.

ASSUMPTION (continued)

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 79,000 envelopes and newborn screening forms and enter approximately 79,000 pulse oximetry results into MOHSAIC (the number is based on approximately 79,000 births in Missouri in 2009).

Adding this screening to the existing newborn screening requirements will require the State Public Health Laboratory, Newborn Screening Unit to add a new form to the newborn screening packet. It is estimated to cost for the new forms will be \$0.12 per form. DHSS assumes 110,000 will be ordered printed the first year at a cost of \$13,200 ( $\$0.12 \times 110,000$ ), and 80,000 forms will be ordered printed each year thereafter at a cost of \$9,600 ( $\$0.12 \times 80,000$ ).

ITSD will need to make changes to the existing data system 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.

Currently the DHSS charges a fee to hospitals for specimen collection forms to recoup costs for testing and administering the Newborn Screening Program. DHSS assumes this fee will need increased by approximately \$2.00 to cover the additional costs required to implement this legislation. However, the current fee cannot be increased without an amendment to 19 CSR 25-36.010. This process generally takes six months to a year to complete; therefore, DHSS assumes additional fee revenue to cover the provisions under this legislation will not be available until FY 2013. Since the legislation has an implementation date of January 1, 2012, DHSS assumes General Revenue will be needed in the first year to make needed system modifications, work with hospitals on the new testing and reporting requirements, and implement the new testing requirements on January 1, 2012. It is assumed funding for the program after the first year will be paid from fee revenue, which will be deposited in the Missouri Public Health Services Fund.

**Oversight** assumes the DHSS could absorb the additional caseload that may result from this proposal within existing resources for FY12. Oversight believes since the program starts January 1, 2012 the majority of the responsibilities listed for the 2 FTE from DHSS's response would probably not be incurred until FY13. Therefore, Oversight assumes the DHSS could absorb two FTE for FY12.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>MISSOURI PUBLIC HEALTH SERVICES FUND</b>			
<u>Income</u> - Department of Health and Senior Services			
Screening Fees	\$0	\$158,000	\$158,000
<u>Costs</u> - Department of Health and Senior Services			
Personal Service	\$0	(\$54,164)	(\$54,706)
Fringe Benefits	\$0	(\$28,404)	(\$28,688)
Equipment and Expense	\$0	(\$48,045)	(\$36,528)
Program Costs	<u>\$0</u>	<u>(\$18,991)</u>	<u>(\$19,181)</u>
<u>Total Costs - DHSS</u>	<u>\$0</u>	<u>(\$149,604)</u>	<u>(\$139,103)</u>
FTE Change - DHSS	0 FTE	2 FTE	2 FTE

<b>ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND</b>	<b><u>\$0</u></b>	<b><u>\$8,396</u></b>	<b><u>\$18,897</u></b>
Estimated Net FTE Change for Missouri Public Health Services Fund	0 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

***Section 191.334:***

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 newborn screening requirements to include pulse oximetry screenings.

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



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Director  
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