F I S C A L I M P A C T R E P O R T

SPONSOR Rodriguez **ORIGINAL DATE** 2/6/19 **LAST UPDATED** **HB**

SHORT TITLE Statewide Perinatal Collaborative **SB** 214

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	$300.0	Recurring	General Fund

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		$100.0	$100.0	$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Nearly identical to 2106 Senate Bill 58

Responses Received From
Medical Board (MB)
Human Services Department (HSD)
Department of Health (DOH)

SUMMARY

Synopsis of Bill:

Senate Bill 214 establishes a statewide perinatal collaborative to study means of improving the outcomes of pregnancies both for mothers and infants, decreasing births to New Mexico teens, reducing pre-term birth, and promoting best practices in maternal health care. The collaborative would consist of DOH and maternal and infant health care providers, the March of Dimes, and health care clinics. It would report its findings and results to the Legislative Health and Human Services Committee and to the Legislative Finance Committee.

SB 214, Statewide Perinatal Collaborative, appropriates $300,000 from the general fund to the Department of Health for the purpose of contracting with a non-profit agency to establish and administer the collaborative.

FISCAL IMPLICATIONS

If the collaborative were successful in decreasing pre-term births, maternal complications, and teen births, all of which are major drivers of subsequent costs to Medicaid, considerable savings could be expected to the Medicaid program. In addition, as premature infants are much more likely to require special education, prevention of pre-term births would likely have a positive future impact on expenditures for special education.

The appropriation of $300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2020 shall revert to the general fund.

HSD indicates personnel time required for it to participate actively in a perinatal collaborative:

> SB214 would require staff from the Medical Assistance Division (MAD) to work with the Perinatal Collaborative. Based on historic and similar work, HSD currently engages three FTE, including the Medical Director, Physical Health Manager and a nurse. Today, these individuals work with the existing New Mexico Perinatal and Neonatal Collaborative (NMPC) that is led by DOH. We estimate the cost to be $30.0 in state and matching funds
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> If SB 214 is enacted with funding and expansion of the group's existing activities (as described in the Significant Issues section below), HSD anticipates that the cost of this work could increase. HSD expects that it could take one additional FTE to accommodate the Collaborative's needs, such as having a Medicaid liaison, attending in-state and out-of-state meetings, researching specific queries, providing Medicaid data, training providers, and developing policy or regulatory changes. We estimate the cost to be $70.0 in state and federal funds.

DOH notes no additional fiscal impact to it, as DOH personnel would not need to spend more time at Perinatal Collaborative activities than they do at present.

SIGNIFICANT ISSUES

New Mexico currently has a perinatal collaborative, the New Mexico Perinatal Collaborative, run as a collaboration among the DOH, the American College of Nurse-Midwives, the American Congress of Obstetricians and Gynecologists, the Indian Health Service, the University of new Mexico Health Sciences Center, and the March of Dimes. Its website is found at nmperinatalcollaborative.com.

DOH and the NM Perinatal Collaborative report that New Mexico has a high rate of infant mortality with 6.9 infant deaths per 1,000 live births in 2012 decreasing to 5.4 in 2013 and 5.3 in 2014, but then increasing again to 6.1 per thousand in 2016, the last information available (154 deaths among 24,503 births). This is very similar to the national average. Maternal mortality is

higher than the national average, at 23/100,000 pregnancies (5 New Mexico maternal deaths in 2016). Recent years demonstrate "Disorders related to preterm births (before 37 weeks of gestation) and low birth weight" to be the second most frequent cause of infant deaths, accounting for 19.4 percent of infant deaths in 2012, and pre-term birth is associated with marked increases in morbidity among infants and increased cost of infants' hospitalization. (https://ibis.health.state.nm.us/indicator/complete_profile/BirthEPHTInfMort.html)

In 2018, 9.0 percent of New Mexico babies were born at a low birth-weight (weighing 5.5 pounds or less), ranking us 43rd in the nation on this indicator (Kids Count Data Book, www.nmvoices.org). Despite having a higher low-birth weight rate than the US as a whole, the infant perinatal death rate in 2016 was about the same as the national average (6.3 as compared with 6.0 per 1000 live births).

DOH continues as follows regarding recent Perinatal Collaborative activities:

> In the initial launch of the State Perinatal Collaborative, early elective deliveries were chosen as an area of focus for New Mexico's proposed statewide Perinatal Collaborative because multiple studies had indicated that elective deliveries occurring at less than 39 weeks of completed gestation carry significantly increased risk for the babies in that cohort, compared to infants born between 39 and 41 weeks. The Perinatal Collaborative workgroup addressing this issue worked with a network of 14 NM birthing hospitals between 2012 and 2014 and saw a 40% reduction in one of the early elective delivery outcome measures with a cost-savings projection to the state of $233,702 in avoided neonatal intensive care hospital stays (NM Hospital Association data, obtained 2/5/19).
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> Other recent achievements for the Collaborative are:
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> - Collaboration with NM Medicaid to improve access to immediate postpartum long-acting reversible contraception (LARC) in community hospitals.
> - Statewide survey of hospital capacity for the diagnosis and management of newborn opioid withdrawal; protocol development; and training of hospital staff.
> - Acceptance into the Alliance for Innovation on Maternal Health (AIM) for statewide deployment of maternal patient safety bundles through Project ECHO clinic.
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> Neonatal Abstinence Syndrome (NAS), another area of focus for the Collaborative, occurs in infants who are exposed to addictive opiate drugs *in utero*. Significantly exceeding the national rate of NAS, New Mexico faces urgent challenges in the identification and treatment of women and infants at risk. The rate of NAS diagnosis increased 324% in infants born between 2008 and 2017 in New Mexico (3.3 per 1,000 births in 2008 to 14.0 per 1,000 births in 2017; US rate at 8.6 in 2016). Healthcare costs for the majority of NAS cases were covered by Medicaid (74%) followed by self-payment (4.6%) (retrieved from NM Epidemiology Report, *Neonatal Abstinence Syndrome Surveillance in New Mexico*, November 30, 2018 edition).
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> The work done by the NM Perinatal Collaborative so far has been accomplished through donations of time from various professionals and through small grants obtained for specific projects and with limited resources. Although the NM Perinatal Collaborative has had some success in these areas, it has been unable to expand to the full Quality Assurance type of work that perinatal collaboratives in other states have been able to take on, mostly due to lack of stable funding and dedicated staff. Perinatal collaboratives in

other states have successfully improved health outcomes by standardizing the use of evidence-based practices in obstetrical settings (hospitals and birthing centers) related to care of the mother and/or the newborn (https://www.cdc.gov/reproductivehealth/maternalinfanthealth/pqc.htm).

Disparities in maternal and infant outcomes by race and ethnicity persist. Between 2014 and 2017, Black/African American women in New Mexico experienced the highest rate of infant mortality (12.7 per 1,000 live births), followed by Hispanic/Latino women (5.9), and American Indian/Alaska Native women (5.6). Non-Hispanic, White (4.9) and Asian/Pacific Islander (3.9) experienced the lowest rates. Disparities are also seen in rates of infant low birthweight. In 2017, Black/African American babies experienced the highest rate (16.7%), followed by Asian/Pacific Islander (12.7%), Hispanic (9.3%) and White (9.2%). American Indian/Alaska Native infants have the lowest rate of low birthweight at 8.8%. All of these rates are higher than the U.S. average of 8.3%. (Health Equity in New Mexico, 13th Edition, https://nmhealth.org/publication/view/report/2045/)

HSD reports that perinatal collaboratives such as that proposed in SB 214 currently exist in more than half of all states.

IDENTICAL (nearly) to 2016 SB 216**.**

ADMINISTRATIVE IMPLICATIONS

DOH staff would work with other stakeholders within and beyond state government to establish and continue the Perinatal Collaborative and to report to the Legislature on its findings and results.

LAC/gb