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## FISCAL IMPACT REPORT

SPONSOR King DATE TYPED 3/18/05 HB 479/aSFC

SHORT TITLE Newborn Child Medical Test Requirements SB \_\_\_\_\_

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### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$84.3	Recurring	General Fund

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	\$770.0	\$770.0	Recurring	Other State Funds

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Human Services Department (HSD)

Health Policy Commission (HPC)

Department of Health (DOH)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee amendment adds a new section that states the provisions of the Act shall become effective upon appropriation to expand screening tests for newborn infants contained in current legislation becoming law.

#### Synopsis of Original Bill

House Bill 479 proposes an amendment to Section 24-1-6 NMSA 1978 to include additional medical testing requirements for newborns by the DOH for inherited and/or congenital diseases to twenty-eight, from the current seven that are required by regulation, except when the parents or guardians, after being informed, waive the requirements for testing in writing.

### Significant Issues

Section 7.30.6.8 NMAC allows the DOH to provide blood specimen collection forms for purchase by hospitals or physicians for newborn testing. Every newborn shall receive tests on two blood samples. The first blood sample is obtained from the infant no later than 96 hours after delivery. The second blood sample is obtained between the 8<sup>th</sup> and 15<sup>th</sup> day after birth. The Statute provides additional documentation and sampling requirements regarding breast milk or formula ingestion, prematurity, transfusion status, at home births, early discharge and inter-hospital transfers.

The HSD reports New Mexico newborns are currently tested for certain congenital diseases. Other testing is done based on family history, maternal age and at the request of the physician. The New Mexico Newborn Advisory Committee, which is advisory to the New Mexico Pediatric Society regarding newborn screening, has not endorsed additional screening until medical benefit is clearly established in the State's population.

The current administrative code for the DOH Section 7.30.6.7 NMAC relating to newborn screening states under the definition for other congenital diseases "...any other congenital disease or condition for which testing may hereafter be required, on the basis of a formal recommendation made to the Department by the New Mexico Pediatric Society and adopted by the Department."

Medicaid covers services for medically necessary health services only. Requiring screening of all newborns eligible for Medicaid may not be considered medically necessary in all cases.

### **PERFORMANCE IMPLICATIONS**

Medicaid Providers and Recipients, HMO's and the general public would have to be informed and educated about the change in policy.

### **FISCAL IMPLICATIONS**

HSD reports approximately 27,500 births occur annually in New Mexico. Medicaid covers approximately 49% of all newborns. Medicaid covers services for medically necessary health services only. DOH reports the costs to physicians and hospitals for newborn testing would increase from \$32 to \$60 (absent the test for glucose six phosphate dehydrogenase deficiency G-6PD).

The DOH Scientific Laboratory Division will need approximately \$84.3 thousand to start the expanded testing; for equipment, supplies, training, outreach and literature for distribution. DOH estimates the increase in fees generated will be approximately \$770.0 annually and is expected to be sufficient to sustain the expansion of the newborn testing program. This assumes that the fees set will be at a level sufficient to cover the costs of administering the expanded program. The impact to the general fund is indeterminate as any unexpended revenue at the end of each fiscal year will be expected to revert to the general fund.

There may also be additional costs associated with genetic counseling and follow up for a positive test result.

The State will be expected to pick up the employer share under the insurance plans of state employees, public school employees, retirees and their dependents. There are also a few progressive

insurance companies that will pay 100% of the testing of newborns.

Early detection and screening may have a positive impact on health care systems over time. The Centers for Disease Control estimates that for every \$1 invested in newborn screening, the public health system saves \$12 to \$15. Early assessment and intervention for children with disabilities or developmental delay will also positively impact local school boards by identifying children early who may benefit from developmental preschools.

### **TECHNICAL ISSUES**

The HPC states the term “newborn” is not defined, and may be a consideration for tests that are time sensitive. It may be beneficial to specify when certain tests should be performed as this could have an affect on the results.

There is also the issue of providing for “informed consent” for parents who refuse testing for their newborn.

There is no time restriction for the written objection to have newborn screenings performed.

### **OTHER SUBSTANTIVE ISSUES**

All birth defects must be reported if diagnosed by age 14 years of age to the Birth Defect Registry.

DOH reports the number of inherited and metabolic disorders for which newborn infants are screened varies widely across the United States, from a minimum of four disorders in some states to a maximum of twenty-eight in several states. New Mexico is one of only eight states that does not either currently offer or is now in the process of offering the expanded screening. The United States Department of Health and Human Services is expected to release national guidelines for a minimum set of newborn testing within a few months. The National March of Dimes recommended a list of nine tests two years ago and is moving toward requiring 28 tests. The American College of Medical Genetics has also recommended that a panel of 28 tests be adopted.

### **ALTERNATIVES**

Current testing practices would remain in effect, while additional tests performed as medically necessary or advisable based on family history, maternal age or physician consent.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

New Mexico newborns will continue to be tested according to current practice.

Newborn infants may not receive all available screenings for congenital diseases. This may affect the health and future of newborns with congenital diseases, as the outcomes for individuals with congenital diseases often depends on how soon treatment is implemented. Furthermore congenital diseases are not always easily recognized, but can be medically detected.

AHO/lg:yr