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FISCAL IMPACT REPORT

ORIGINAL DATE 2/01/09

SPONSOR Heaton LAST UPDATED _____ HJM 7

SHORT TITLE Continue Obstetric Health Care Task Force SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY09 | FY10 | FY11 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|------|------------------------|------------------------|----------------------|-------------------------|------------------|
| Total | | \$0.1 see narrative | \$0.1 see narrative | | Recurring | Various |

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 148; Obstetrics Administrative Compensation

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Department of Health (DOH)

New Mexico Medical Board (NMMB)

SUMMARY

Synopsis of Bill

House Joint Memorial 7 requests the HPC to continue the task force on obstetric health care practitioner liability insurance and to expand the scope of the task force to include evidence-based maternity care.

FISCAL IMPLICATIONS

There will be an impact on HPC staff and resources to publish the findings and recommendations developed by the task force.

Task force members may be entitled to per diem and mileage as provided in the Per Diem and Mileage Act. Any additional fiscal impact to state agencies will be dependent upon what findings and recommendations made by the task force are ultimately implemented.

SIGNIFICANT ISSUES

The memorial resolves the following:

- HM 9 and SM 1, passed during the 2008 session, called for HPC to continue the task force on obstetric health care practitioner liability insurance that has been working for three years;
- the 2008 task force report found that New Mexico has a unique pattern of cooperation among obstetricians, certified nurse midwives and family medicine physicians who attend births and provide maternity care;
- this cooperation results in better outcomes for mothers and newborns and an ability to ensure maternity and delivery coverage statewide;
- the report further found that this cooperation is strained due to steeply increasing professional liability costs on obstetrical providers and hospitals, an unregulated professional liability market and a diminishing number of obstetrical providers in rural areas;
- an October 2008 study entitled *Evidence-Based Maternity Care: What It Is and What It Can Achieve* identifies underuse of beneficial practices and overuse of potentially harmful or ineffective practices, that may contribute to the high cost of obstetric liability insurance and to poor outcomes for mothers and newborns;
- this study has shown that the high rate of interventions and procedures experienced by these mothers and newborns leads to a high risk of adverse effects from childbirth;
- Cesarean section procedures are associated with numerous future adverse effects in women and are the most common operating room procedure;
- in the last twenty-five years, the national rate for preterm births increased by thirty-six percent and the proportion of low-birth-weight babies increased by twenty-two percent;
- between 1990 and 2005, the rate of medically induced labor was twenty-two percent of all women giving birth;
- these factors have contributed to the high cost of maternity care, which exceeded charges for any other condition in 2005;
- the World Health Organization ranks the United States lower than twenty-nine other nations in estimated maternal mortality;
- midwives and birth centers face challenges in obtaining liability insurance making liability insurance unaffordable for these practitioners; and
- efforts to improve payment systems, the liability system, consumer decision-making processes and other factors that impact clinical decisions should align with the best scientific evidence and best practices to ensure optimal care.

PERFORMANCE IMPLICATIONS

The task force will be required to report its findings and recommendations to the Legislative Health and Human Services Committee in November of 2009.

ADMINISTRATIVE IMPLICATIONS

The HPC sponsored task force has identified approaches to ensure the quality of and access to obstetrical services and to protect the liability of providers of obstetrical services in New Mexico. The task force believes that additional research and investigation is needed to find enduring solutions.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB 148; Obstetrics Administrative Compensation, appropriating \$75 thousand to HPC to convene a task force on obstetrics administrative compensation alternatives.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

HPC may not continue a task force on obstetric health care practitioner liability insurance with an expansion of its scope to include evidence-based maternity care.

AHO/svb