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FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/09

SPONSOR Feldman LAST UPDATED 3/4/09 HB _____

SHORT TITLE Hospital-Acquired Infection Act SB 408

ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY10 | FY11 | FY12 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|----------------------|----------------------|----------------------|----------------------|-------------------------|------------------|
| Total | Unknown See Below | Unknown See Below | Unknown See Below | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Health Policy Commission (HPC)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 408 establishes the Hospital Acquired Infection Act (Act) creating the Hospital-Acquired Infection Advisory Committee (HAIAC) and providing for the structure of participation, selection of indicators and reporting requirements.

FISCAL IMPLICATIONS

DOH in collaboration with the HAIAC supports the objectives of this bill and believes they can find the necessary financial resources to enable them to comply with the provisions of this bill from federal sources. (March 3, 2009 DOH Analysis).

SIGNIFICANT ISSUES

SB 408 was introduced on behalf of the Legislative Health and Human Services Committee. Significant activity has taken place with respect to healthcare-associated infections (HAI) across the United States. Twenty-nine states with mandated public reporting have designed HAI surveillance programs focused on a few outcome and process measures. These states have reported that substantial resources are required to establish quality HAI surveillance programs. In New Mexico, the multidisciplinary New Mexico HAIAC formed by the Secretary of Health in

February 2008 has proceeded to guide a pilot for identifying and reporting HAI, including central line associated bloodstream infections and healthcare worker influenza vaccination rates.

SB 408 mandates the membership and functions of the HAIAC to conduct surveillance for hospital-associated infections. The HAIAC will establish standards for the reporting of HAI; identify the specific infections and indicators for surveillance; train hospitals to assure proper reporting of HAI and develop and disseminate to the public appropriate reports of the surveillance findings, all for the prevention and control of hospital-associated infections. The HAIAC will consider the following indicators: central line associated bloodstream infections; surgical site wound infections; ventilator assisted pneumonia; and catheter associated urinary tract infections. At least annually, the HAIAC will consider additional healthcare-associated indicators.

Recruitment of participating hospitals will begin on a voluntary basis and include at least six hospitals representing rural and urban areas of the state. Participating hospitals will report HAI data to the New Mexico DOH using the National Healthcare Safety Network surveillance system, a web-based and nationally standardized system according to a schedule recommended by the HAIAC. Public reports will be published no later than July 1, 2011.

SB 408 will further the work of the current HAIAC and adhere to the findings and recommendations of the committee. Furthermore, New Mexico will benefit from a multidisciplinary advisory committee that can monitor best practices from other states and adopt national guidelines in order to modify New Mexico's HAI surveillance system to maximize benefits for all New Mexicans.

Stakeholders currently support the approach outlined by SB 408, including DOH, the New Mexico Hospital Association, New Mexico Medical Review Association and consumer representatives. The HAIAC has identified the need for additional expertise and experience in healthcare-associated infection surveillance in order to successfully expand the pilot currently taking place among six volunteer New Mexico hospitals. New Mexico does not meet the Centers for Disease Control and Prevention (CDC) recommended guideline of maintaining one Infection Control Professional per 100 hospital beds. Infection Control Professionals are critical for HAI surveillance, reporting and remediation at the hospital level.

Development and implementation of systems for surveillance of HAI is relatively complex because it requires standardized practices across hospitals, information technology expertise, dedicated and qualified hospital staff and substantial human and fiscal resources. SB 408 will mandate a flexible system to accommodate these complexities and allow the HAIAC to continue in the development of a growing HAI surveillance system in New Mexico.

SB 408 relates to 24-14A-1 through 24-14A-10, the Health Information Systems Act. The purpose of the Health Information Systems Act is to assist the HPC, legislature, other agencies and organizations, and the public in the state's efforts to collect, analyze and disseminate health information. This Health Information Systems Act assists in the performance of health planning and policymaking functions, including identifying personnel, facility, education and other resource needs, and allocating financial, personnel and other resources where appropriate. It also helps consumers to make informed decisions regarding health care.

Under current rules, licensed nonfederal general and specialty inpatient health care facilities in New Mexico have an obligation to submit specified quarterly reports to the HPC.

SB 408 requires compliance with the federal Health Insurance Portability and Accountability Act of 1996. DOH suggests the following amendment to the bill to incorporate confidentiality and privilege protections:

ADMINISTRATIVE IMPLICATIONS

The DOH will need to establish an administrative infrastructure to maintain the HAIAC and to oversee the training of hospitals regarding reporting and use of the National Healthcare Safety Network (NHSN) system. In addition, a significant amount of work will be required to analyze the surveillance data and to disseminate the data in meaningful and understandable fashion to hospitals, the legislature and the general public in New Mexico.

In order for DOH to assure that implementation is conducted in a quality fashion so that the public and hospitals can benefit from the efforts made, resources would be required to:

- 1) Train DOH staff involved in infection control, HAI surveillance and the use of NHSN database.
- 2) Work with each hospital to assure that they conduct HAI surveillance correctly and know how to correctly use the NHSN database.
- 3) Work with each hospital to assure consistency and accuracy of surveillance within and between hospitals.
- 4) Conduct quality assurance audits of participating hospitals.
- 5) Conduct regular analyses of data and prepare public and other reports.
- 6) Work with hospitals to assure implementation of evidence-based processes of care, if not already in place, in order to prevent or minimize the incidence of infection.
- 7) Work with consumers to identify the best mechanisms for public reporting.

OTHER SUBSTANTIVE ISSUES

The HPC provided the following:

OTHER SUBSTANTIVE ISSUES

The New Mexico HAIAC was created at the direction of the New Mexico Secretary of Health, Dr. Alfredo Vigil. According to a December 2008 draft report from the Epidemiology and Response Division of the DOH, the HAIAC recommended the use of National Healthcare Safety Network (NHSN) as the surveillance system. The NHSN an electronic system developed and supported by the Centers for Disease Control and Prevention (CDC). There are several significant benefits to using the NHSN system.

First, the system is already being used by many states, thus making it possible to both obtain standardized data for New Mexico hospitals and benchmark New Mexico data with other states participating in NHSN. Second, this recommendation eliminates the need to fund and design a data system unique to New Mexico. Additionally, NHSN has confidentiality protections through the Public Health Service Act. Lastly, since CDC is the host for the NHSN system, it is responsible for the updates and upgrades to the data system.

While the Secretary of DOH requested the participation of a minimum of three hospitals, six agreed to join the pilot year (July 1, 2008 – June 31, 2009):

1. Gerald Champion Regional Medical Center;
2. Heart Hospital of New Mexico;
3. Memorial Medical Center;
4. Presbyterian Healthcare Services, Albuquerque;
5. San Juan Regional Medical Center; and
6. University of New Mexico Hospital.

The pilot year includes the surveillance of two hospital-acquired infection (HAI) indicators.

1. Central line associated bloodstream infections (CLABSI) in adult intensive-care units (ICU)-- According to DOH, this was selected because it scored well on a guiding principle that measures used should be based on objective, accurate and consistent definitions that may be applied by all New Mexico hospitals that are subject to reporting requirements and across continuing healthcare systems. There is scientific evidence that many of these infections can be prevented with the implementation and consistent use of evidence-based processes of care.
2. Influenza vaccination rates of healthcare workers (HCW) -- According to DOH, this was selected as an indicator because HCW vaccination for influenza is a critical patient safety measure endorsed by CDC, the Joint Commission, and many professional organizations. Studies have shown that increasing vaccination rates of HCW who provide care to elderly patients can lead to marked decreases in mortality. The CDC notes that during the 2005-2006 influenza season, 42 percent of surveyed HCW received influenza vaccination. In past years, influenza infections have been documented in healthcare settings and HCW have been implicated as the potential source of these infections.

The HAI AC notes that surveillance of HAI has the potential value to

- Inform the public; and
- Implement evidence-based prevention methods in the institutions from which the data is collected.

Many factors promote infection among hospitalized patients: decreased immunity among patients; the increasing variety of medical procedures and invasive techniques creating potential routes of infection; and the transmission of drug-resistant bacteria among crowded hospital populations, where poor infection control practices may facilitate transmission.

The most frequent nosocomial infections are infections of surgical wounds, urinary tract infections and lower respiratory tract infections. Studies by WHO and others have also shown that the highest prevalence of nosocomial infections occurs in intensive care units and in acute surgical and orthopedic wards. WHO notes that Infection rates are higher among patients with increased susceptibility due to older age, underlying disease, or chemotherapy treatment.

According to the Center for Disease Control and Prevention (CDC), hospital-acquired infections affect approximately 2 million individuals annually. In the United States hospital-acquired infections account for an estimated 1.7 million infections and 99,000 associated deaths each year. Of these infections:

- 32 percent of all healthcare-associated infections are urinary tract infections;
- 22 percent are surgical site infections;
- 15 percent are pneumonia (lung infections); and
- 14 percent are bloodstream infections.

WHO indicates that nosocomial infections are one of the leading causes of death. The economic costs are considerable. The increased length of stay for infected patients is the greatest contributor to cost. The WHO report asserts that one study showed that the overall increase in the duration of hospitalization for patients with surgical wound infections was 8.2 days, ranging from three days for gynecology to 9.9 for general surgery and 19.8 for orthopedic surgery. Prolonged stay not only increases direct costs to patients or payers, but also indirect costs due to lost work. According to the Institute of Medicine (IOM), preventable adverse patient events cost \$17-\$29 billion annually.

The CDC indicates that the National Nosocomial Infection Surveillance (NNIS) system is the nation's largest and oldest performance measurement system devoted to hospital-acquired infections. For more than 30 years, it has been the foundation on which performance improvement and infection prevention strategies have been built. According to a medical errors report published by IOM, nosocomial infection surveillance is a model for patient safety reporting systems. The IOM report also notes that the NNIS system demonstrates the evidence that infection control efforts can substantially reduce infections in hospitals.

DW/mt