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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/14
SPONSOR Rodriguez **LAST UPDATED** _____ **HB** _____

SHORT TITLE Statewide Perinatal Collaborative **SB** 189

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$20.0	\$20.0	\$60.0	Recurring	General Fund/Federal Medicaid administrative matching funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

Children, Youth and Families Department (CYFD)

University of New Mexico Health Sciences Center (UNM/HSC)

SUMMARY

Synopsis of Bill

Senate Bill 189 appropriates \$200 thousand from the general fund to the Department of Health to establish the statewide perinatal collaborative.

The purpose of the collaborative would be to improve health outcomes for pregnant women and newborns. The Department of Health (DOH) would contract for the development of the

collaborative with a statewide nonprofit organization representing hospitals. The collaborative would include DOH, physicians, nurse midwives, health care clinics and other health care providers.

The improvement of health outcomes would be achieved by:

- Standardizing the use of evidence-based practice in obstetrical and newborn settings;
- Achieving measurable improvements in health outcomes for pregnant women and newborns;
- Reducing unintended pregnancies, particularly among youth;
- Reducing pre-term births and improving outcomes of pre-term newborns; and
- Promoting effective quality-improving and cost-savings best practices.

DOH and the collaborative would report annually to the Legislative Health and Human Services Committee and the Legislative Finance Committee on systemic improvements, state and local health statistics for pregnant women and newborns, and other information determined important by the collaborative.

FISCAL IMPLICATIONS

SB 189 includes an FY15 general fund recurring appropriation of \$200 thousand. Any unexpended or unencumbered balance remaining at the end of FY15 shall revert to the general fund.

The Human Services Department (HSD) Medical Assistance Division (MAD) reproductive health program manager and medical director recommend their inclusion on the proposed collaborative and estimate the cost for staff time and travel at \$20 thousand per year.

SIGNIFICANT ISSUES

The Department of Health (DOH) initiated a state-wide meeting in 2013 to improve birth outcomes. The meeting resulted in creation of a perinatal collaborative to reduce infant mortality in New Mexico. This group includes representation from DOH, Medicaid, the University of New Mexico Health Sciences Center, managed care organizations, March of Dimes, midwives, physicians, Children, Youth and Families Department, New Mexico Hospital Association, New Mexico Primary Care Association, and other key stakeholders. The steering committee identified two targets including the continuation and expansion of early elective delivery initiatives and reducing neonatal abstinence syndrome in New Mexico.

The University of New Mexico Health Sciences Center (UNMHSC) indicates New Mexico currently has a statewide initiative to decrease early elective deliveries which is supported by the NM Hospital Engagement Networks, the HRSA Collaborative Improvement and Innovation Network, Presbyterian Health Care System, and Lifepoint. This initiative has contributed to a decrease in elective deliveries in 15 of the reporting hospitals by 11 percent, which represented a decrease of approximately \$194,000 in costs over that period of time. The collaborative proposed in SB 189 could coordinate similar efforts statewide to ensure similar reductions in early elective deliveries across the state. Cost savings in maternity care are significant in New Mexico as 48 percent of births are paid by Medicaid.

TECHNICAL ISSUES

The Human Services Department (HSD) indicates perinatal collaboratives such as that proposed in SB 189 currently exist in more than half the states. The work of the proposed New Mexico collaborative would benefit from the participation of HSD as the state Medicaid agency and the state mental health and substance abuse authority. Participation would also be beneficial from the Centennial Care managed care organizations, hospital medical staff, the Indian Health Services and others would also be helpful to assure representation and leadership.

OTHER SUBSTANTIVE ISSUES

The Children, Youth and Families Department (CYFD) indicates during the identification of the Early Childhood Investment Zones (ECIZ), it was determined New Mexico's rate is 6.9 per 1,000 live births exceeding the average national of 6.0 per 1,000 live births. Many communities have little or no prenatal care available, and teen parents and others have to drive over one hour to see an OB/GYN and often do not receive prenatal services until the third trimester.

UNMHSC indicates New Mexico has a rapidly increasing number of women who are opioid dependent during pregnancy. The DOH reports dependency rates are 16.2 percent among teens and 7.4 percent among women 18 to 25 years old. Babies born to opioid dependent women are at risk for Neonatal Opioid Withdrawal Syndrome, and these neonates have significantly more respiratory disease, low birth weight, difficulty in feeding, and seizure activity. The proposed collaborative will be able to coordinate efforts to identify best practices, available resources, and data management that addresses issues critical to ensuring the best possible outcomes for these newborns.

DOH indicates normal gestation for a human fetus is 40 weeks. Multiple studies have indicated that elective deliveries occurring at less than 39 weeks of gestation carry significantly increased risk for babies compared to infants born between 39 and 41 weeks. These studies identified an increasing trend of early induction or scheduled cesarean births, resulting in increased Neonatal Intensive Care Unit (NICU) admissions, increased transient tachypnea (abnormally rapid breathing), increased respiratory distress syndrome, increased ventilator support, increased suspected or proven sepsis infection, increased newborn feeding problems, and possible risk of brain injury and long-term neurodevelopmental abnormalities. At 37 weeks the fetal brain weighs only 80 percent of the brain's weight at 40 weeks.

RAE/svb