

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Maetz ORIGINAL DATE 03/03/15  
 LAST UPDATED \_\_\_\_\_ HB 509

SHORT TITLE State Perinatal Collaborative SB \_\_\_\_\_

ANALYST Dunbar

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
\$200.0	\$200.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$20.0	\$20.0	\$20.0	\$60.0	Recurring	General Fund/ Federal Matching Funds

Duplicates SB 116

Relates to Appropriation in the General Appropriation Act

### SOURCES OF INFORMATION

Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

Children Youth Families Department (CYFD)

Medical Board (MB)

### SUMMARY

#### Synopsis of Bill

HB 509 appropriates \$200 thousand from the general fund to the Department of Health for the purpose of establishing a Statewide Perinatal Collaborative by the Department of Health (DOH) by January 1, 2016. The purpose of the collaborative is to improve health outcomes for pregnant women and newborns. The DOH would contract for the development of the collaborative with a

statewide nonprofit organization representing hospitals.

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 practice.

The collaborative would include DOH, physicians, nurse-midwives, health care clinics and other health care providers.

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, as well as other information determined important by the collaborative.

## **FISCAL IMPLICATIONS**

The appropriation of \$200 thousand for FY15 and FY16 contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund.

The HSD Medical Assistance Division (MAD) reproductive health program manager and medical director may serve on the collaborative and attend regular meetings. Estimated cost for staff time and travel is \$20 thousand per year, which would be recurring as the collaborative is ongoing.

## **SIGNIFICANT ISSUES**

DOH reports 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. The main reason for the high rates in 2012 was associated to infants of Hispanic mothers in the neonatal period (under 28 days of age) in several causes of death categories. 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. (Increase in Infant Mortality Rate in New Mexico, 2012, New Mexico Epidemiology Report, Volume 2014, Number 3, March 31, 2014)

In July 2013, the Department of Health, inspired by the National Governor’s Association, initiated a state-wide meeting to improve birth outcomes. This group has since evolved, forming a steering committee and subcommittees, with representation from DOH, Medicaid, the University of New Mexico, 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 of change; continuation and expansion of early elective delivery initiatives and reducing neonatal abstinence syndrome in New Mexico.

Multiple studies as reported by DOH identified an increasing trend of early induction (less than 39 weeks) or scheduled Cesarean births, resulting in increased Neo-Natal Intensive Care Unit (NICU) admissions, increased transient tachypnea of the newborn, increased respiratory distress syndrome, increased ventilator support, increased suspected or proven sepsis, increased newborn feeding problems, as well as concerns of possible risk of brain injury and long-term neurodevelopmental abnormalities. During the last two years, three Hospital Engagement Networks (HENs) in the state encouraged hospitals with birthing units to adopt policies of no early elective deliveries before 39 weeks gestation. As an example of success, one of these HENs decreased early elective deliveries in the 15 reporting hospitals by 11 percent, which represented a decrease of approximately \$194,000 in costs over that time. (NMHA, HealthInsight NM).

According to the Center for Medicare and Medicaid Services (CMS), 4.8 percent of early elective deliveries are sent to NICUs, at an average expense of \$15,172 per NICU stay.

Additionally, DOH indicates that Neonatal Abstinence Syndrome (NAS) is one of the top five national priorities for infant mortality prevention. In New Mexico, the rate of NAS has increased dramatically from 1.7 cases per 1,000 live births in 2000 to 7.9 per 1,000 in 2012. Significantly exceeding the national rate, New Mexico faces urgent challenges in the identification and treatment of women and infants at risk. Prevention is paramount, and the clinical experts engaged in the Perinatal Collaborative are key to providing solutions to this crisis.

HSD reports that the perinatal collaborative such as that proposed in SB116 currently exist in more than half of all states.

## **PERFORMANCE IMPLICATIONS**

HB 509 relates to the DOH 2016 Strategic Plan, Result 1: Improved health outcomes for the people of New Mexico.

## **DUPLICATION**

HB 509 is a duplicate to SB 116. SB 116 was amended by the Senate Public Affairs Committee to change the date by which DOH is requested to establish a statewide perinatal collaborative from July 1, 2015 to January 1, 2016.

The other difference is that HB 509 requires DOH to contract with a “nonprofit organization” while SB 116 specifies the contract must be with a “statewide nonprofit organization representing hospitals.”

BD/bb/aml