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FISCAL IMPACT REPORT

SPONSOR Rodriguez **ORIGINAL DATE** _____
LAST UPDATED 01\25\15 **HB** _____

SHORT TITLE Statewide Perinatal Collaborative **SB** 116/aSPAC

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)

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)

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee Amendment to Senate Bill 116 changes the date for creating the Statewide Perinatal Collaborative to January 1, 2016.

Synopsis of Original Bill

Senate Bill 116 establishes a Statewide Perinatal Collaborative by the Department of Health (DOH) by July 1, 2015. 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 \$200,000 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.

This appropriation is not included in the Executive Budget Request.

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 perinatal collaboratives such as that proposed in SB116 currently exist in more than half of all states.

PERFORMANCE IMPLICATIONS

SB 116 relates to the DOH 2016 Strategic Plan, Result 1: Improved health outcomes for the people of New Mexico.

BD/bb