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FISCAL IMPACT REPORT

SPONSOR Rodriguez ORIGINAL DATE 1/19/16
 LAST UPDATED _____ HB _____

SHORT TITLE Statewide Perinatal Collaborative SB 58

ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$300.0	Recurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Department of Health (DOH)

SUMMARY

Synopsis of Bill:

Senate Bill 58 establishes a statewide perinatal collaborative to study means of improving the outcomes of pregnancies, both for mothers and infants, decreasing birth to New Mexico teens, reduce pre-term birth, and promoting best practices in maternal health care. The collaborative would consist of DOH and maternal health care providers. It would report its findings and results to the Legislative Health and Human Services Committee and to the Legislative Finance Committee.

SB 58, Statewide Perinatal Collaborative appropriates \$300,000 from the general fund to the Department of Health for the purpose of contracting with a non-profit agency to establish and administer the collaborative.

FISCAL IMPLICATIONS

If the collaborative were successful in decreasing pre-term births, maternal complications, and teen births, all of which are major drivers of subsequent costs to Medicaid, considerable savings could be expected to the Medicaid program. In addition, as premature infants are much more likely to require special education, prevention of pre-term births would likely have a positive future impact on expenditures for special education.

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2017 shall revert to the general fund.

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 and 5.3 in 2014. 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, and pre-term birth is associated with marked increases in morbidity among infants and increased cost of infants’ hospitalization. (Increase in Infant Mortality Rate in New Mexico, 2012, New Mexico Epidemiology Report, Volume 2014, Number 3, March 31, 2014)

In 2014, 8.8 percent of New Mexico babies were born at a low birth-weight (weighing 5.5 pounds or less), ranking us 43rd in the nation on this indicator (Kids Count Data Book, www.nmvoices.org). Despite having a higher low-birth weight rate than the US as a whole, the infant perinatal death rate for the past two years has been lower than the national average (5.3 as compared with 6.0 per 1000 live births).

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. The rate of neonatal abstinence syndrome (infants being born to mothers using addictive substances, usually opiates) is especially high and increasing rapidly in New Mexico, and contributes to prolonged morbidity and hospital stays for approximately nine of every 1000 infants born in New Mexico – it was only 1.7 per 1000 in the year 2000.

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).

DOH indicates that Neonatal Abstinence Syndrome (NAS) is one of the top five national priorities for infant mortality prevention. Significantly exceeding the national rate, New Mexico faces urgent challenges in the identification and treatment of women and infants at risk of

neonatal abstinence. Prevention is paramount, and the clinical experts who would be engaged in the Perinatal Collaborative are key to providing solutions to this crisis.

HSD reports that perinatal collaboratives such as that proposed in SB 58 currently exist in more than half of all states.

PERFORMANCE IMPLICATIONS

SB 58 relates to the DOH FY 2017-FY 2019 Strategic Plan, Result 1: Improved health status for New Mexicans.

ADMINISTRATIVE IMPLICATIONS

DOH staff would work with other stakeholders within and beyond state government to establish and continue the Perinatal Collaborative and to report to the Legislature on its findings and results.

LAC/jo/jle