

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 07/06/2012
POSITION: Oppose

BILL NUMBER: AB 1731
AUTHOR: Block, Marty

BILL SUMMARY: Newborn screening program: critical congenital heart disease.

This bill would require general acute care hospitals that provide perinatal services to offer parents the option to have their newborns tested for critical congenital heart disease (CCHD) by means of a pulse oximetry test prior to discharge from the hospital.

FISCAL SUMMARY

This bill could result in one-time implementation costs of \$75,000 (\$38,000 General Fund) for the Department of Health Care Services to consult with stakeholders, develop a phase-in plan, review research and guidance, and work with relevant federal agencies. Additionally, the bill may result in indeterminate development and ongoing costs for the University of California hospital system.

Additional costs incurred as a result of this bill are difficult to estimate because the screenings currently performed in hospitals are not tracked. However, if half of all babies in California are screened, the bill would result in \$450,000 (\$225,000 General Fund) in increased Medi-Cal and Healthy Families Program (HFP) costs related to screening and follow-up care. The tests cost \$3 per screening. The bill could potentially result in offsetting savings of as much as \$350,000 (\$175,000 General Fund) annually associated with earlier detection of heart defects among Medi-Cal and HFP eligible babies, and various other health care and developmental services programs from prevention of certain conditions due to earlier diagnosis.

Ongoing administrative costs to hospitals could be significant, depending on whether the hospital has already initiated CCHD screening in the absence of this bill. As of this analysis, it is unclear whether the California Department of Public Health would need additional resources to implement this bill. The bill does not identify a funding source for tests not covered by the Medi-Cal and Healthy Families programs.

COMMENTS

Methods of screening for this congenital heart disease include prenatal ultrasound and post-birth clinical examinations. This bill aims to institute the use of pulse oximetry, which is a non-invasive test that estimates the percentage of hemoglobin in blood that is saturated with oxygen. Low levels of oxygen in the blood can be a sign of a CCHD.

The Department of Finance is opposed to this bill for the following reasons:

1. This bill would result in significant General Fund costs.
2. It is unclear whether the potential savings from this bill could be achieved from early diagnosis and reduced health and long-term care services.
3. The impact of this bill would be difficult to measure as it is unclear whether the necessary data collection and reporting infrastructure exists to determine effectiveness.

Analyst/Principal (0543) A.Dorsey	Date	Program Budget Manager Ken DaRosa	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

Block, Marty

07/06/2012

AB 1731

COMMENTS (continued)

This bill would (1) Require general acute care hospitals with licensed perinatal services to offer parents a pulse oximetry test to identify CCHD in their newborns prior to discharge from the hospital, using protocols approved by DHCS or its designee; (2) Require these hospitals to develop a screening program that provides competent CCHD screening, utilize appropriate staff and equipment for administering the tests, complete the testing prior to the newborn's discharge from a newborn nursery unit, refer infants with abnormal screening results for appropriate care, maintain and report data as required by the DHCS, and provide physician and family-parent education; (3) Require the DHCS to begin phasing in implementation of the requirement to offer CCHD screening on or after July 1, 2013, with achievement of a 100-percent participation rate by 2016; (4) Require the tests be performed by a licensed health professional, as described, or an appropriately trained individual, as described; (5) Allow the parents of a newborn to object to the test on the grounds that the test is in violation of his or her beliefs; and (6) Allow the DHCS to designate responsibilities under this article to the Department of Public Health (DPH), consistent with existing responsibilities for the DPH in other state newborn screening programs.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					Fund Code
	LA	(Dollars in Thousands)					
	CO	PROP					
	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	
4260/Hlth Care	LA	No		-----	See Fiscal Summary.	-----	0001