



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** [H.B. 182 of the 130th G.A.](#)

**Date:** June 11, 2013

**Status:** As Introduced

**Sponsor:** Rep. Barnes

**Local Impact Statement Procedure Required:** Yes

**Contents:** To codify existing disorders screened for under the Newborn Screening Program and to include severe combined immunodeficiency

### State Fiscal Highlights

- **Ohio Department of Health (ODH).** The bill codifies the existing 35 disorders screened for under the Newborn Screening Program and adds severe combined immunodeficiency (SCID) as a disorder for which newborns are to be screened. If the newborn screening fee is increased as a result of the addition to the screening panel, then ODH will experience a gain in fee revenue and a corresponding increase in costs to screen for SCID.

### Local Fiscal Highlights

- **Public hospitals.** The bill codifies the existing 35 disorders screened for under the Newborn Screening Program and adds SCID as a disorder for which newborns are to be screened. If the newborn screening fee is increased, public hospitals will realize an increase in costs for purchasing the newborn screening test kits from ODH and also for any administrative duties associated with this addition.
- **Public hospitals.** The bill requires the Director of Health to adopt rules that include standards and procedures for giving information to a child's parents regarding each disorder for which the screening or rescreening result was abnormal. Public hospitals likely already provide some information to parents when screening results are abnormal. However, it is possible that costs might increase if rules adopted require additional information beyond what public hospitals currently provide.

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## Detailed Fiscal Analysis

### Newborn screening

The bill codifies the 35 genetic, endocrine, and metabolic disorders that newborn children currently must be screened for under the Newborn Screening Program and adds severe combined immunodeficiency (SCID) as a disorder for which newborns are to be screened. Subsequently, the bill eliminates an existing provision that requires the Director of Health to adopt rules specifying the disorders to be included in each newborn screening. The bill also eliminates the provision requiring the Newborn Screening Advisory Council to evaluate disorders to assist the Director regarding which disorders should be included. However, the bill maintains the Council's purpose in regards to advising the Director regarding newborn screening. As a result of this codification, the Ohio Department of Health (ODH) might realize a negligible decrease in costs associated with promulgating rules. Additionally, there might be a decrease in administrative expenses relating to the elimination of the provision requiring the Council to evaluate disorders. However, the Council would still advise the Director, so any decrease would be negligible.

Currently, if a newborn is born in a hospital or birthing center, a few drops of blood are taken from the baby's heel prior to the baby leaving the hospital. Hospitals and birthing centers order newborn screening blood collection cards (newborn kits) from ODH at a cost of \$55.16.<sup>1</sup> The cards with the blood samples are returned to ODH's newborn screening laboratory for testing. ODH is currently in the process of changing administrative rules regarding the Newborn Screening Program to include SCID in the screening requirements and to raise the newborn screening laboratory fee by \$8.45 to cover the cost of adding SCID. LSC assumes that since ODH has already begun the process of adopting rules, a great deal of the administrative work that would have been required by adding SCID to the panel has already been done. However, ODH will likely still have costs associated with any necessary administrative duties related to this addition to the panel such as providing education to hospitals and birthing centers.

While the bill does not specifically raise the newborn screening fee, it does add SCID to the screening requirement. As a result, LSC assumes that there will be a fee increase associated with this addition to the panel. Thus, ODH will likely realize a gain in newborn screening revenue and a corresponding increase in costs to screen for SCID. Public hospitals will likely realize an increase in costs for purchasing the kits and for any administrative duties associated with this addition. According to the Ohio Hospital Association (OHA), hospitals receive a bundled payment for care provided to newborns

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<sup>1</sup> The laboratory fee for newborn screening is \$28.85. There is an additional fee of \$26.31 for performing genetic, endocrine, and metabolic disorder screenings.

after a delivery from insurance companies and from Medicaid. If the bundled payment is not updated to adjust for an increase in costs of the newborn kits, then public hospitals would absorb the costs. If this bundled payment is updated and increased, then some costs for public hospitals could be offset. However, if the payment is updated and increased, the Medicaid Program might realize an increase in expenditures for Medicaid-enrolled newborns that are screened.

### **Information to newborn's parents**

Existing law requires the Director to adopt rules regarding communicating to a newborn's parents the results of any screening or rescreenings. The bill requires the Director of Health to adopt rules that include standards and procedures for giving information to a child's parents regarding each disorder for which the screening or rescreening result was abnormal. Public hospitals likely already provide some information when screening results are abnormal. However, it is possible that costs might increase if rules adopted require additional information beyond what public hospitals currently provide.

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