



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. S.B. 4 of the 130th G.A.](#)

Date: June 20, 2013

Status: As Enacted

Sponsor: Sens. Manning and Oelslager

Local Impact Statement Procedure Required: No

Contents: Newborn screening for critical congenital heart defects

State Fiscal Highlights

- The Ohio Department of Health (ODH) could experience an increase in costs for promulgating rules relating to the screening and for receiving screening results from hospitals and birthing centers, depending on the procedures adopted in rule regarding reporting the screening results.

Local Fiscal Highlights

- According to the Ohio Hospital Association, the majority of hospitals currently screen for critical congenital heart defects. Public hospitals that do not currently screen newborns could experience an increase in costs for purchasing necessary equipment such as a pulse oximeter and for conducting the screening and possibly reporting the screening result. However, if hospitals charged for this screening, hospitals would likely receive some reimbursements from insurance or Medicaid (if the individual is enrolled in the Medicaid Program).

Detailed Fiscal Analysis

The bill requires each hospital and freestanding birthing center in Ohio to conduct a critical congenital heart defects screening on newborns through the use of a physiologic test to help identify critical congenital heart defects. The bill requires that the newborn be screened prior to discharge unless the newborn is transferred to another hospital. If a transfer occurs, the hospital must perform the screening when determined medically appropriate. The bill prohibits a hospital or center from conducting the screening if the newborn's parent(s) objects based on religious grounds. Each hospital or center is required to notify the parents, guardian; or custodian; and the attending physician of the screening results. According to the Ohio Hospital Association, the majority of hospitals currently conduct critical congenital heart defects screening on newborns. However, for those hospitals that do not perform these screens, costs would increase. The cost of the screening itself would likely be added onto the costs associated with delivering a newborn, so the hospital could receive some reimbursement from insurance, Medicaid, or other sources. Hospitals that do not perform the screening may have to purchase necessary equipment such as a pulse oximeter machine.

Lastly, the bill requires the Director of Health to adopt rules establishing procedures and standards for the screenings, including specifying screening equipment and methods, reporting screening results to ODH, etc. Additionally, the bill requires the Director, when adopting rules, to specify screening equipment and methods that include the use of pulse oximetry or other screening equipment and methods that detect critical congenital heart defects at least as accurately as pulse oximetry. The screening equipment and methods specified are to be consistent with recommendations issued by nationally recognized organizations. There could be additional administrative duties associated with this reporting requirement for public hospitals and ODH. ODH could experience an increase in costs for receiving screening results. The increase in costs would depend on the procedures adopted for reporting screening results, which will be established in rule. However, if the establishment of an electronic system was necessary to receive screening results for all newborns, ODH estimates that information technology costs could be \$150,000, for the first year of implementation. There would also be maintenance costs in subsequent years. If ODH managed and analyzed screening results, ODH could realize an increase in administrative costs. ODH estimates that these administrative costs could be up to \$30,000 per year if results were analyzed for all newborns.

Background information

Currently, newborns are screened for 35 disorders in Ohio. 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 \$55.16.¹ The cards with the blood samples are returned to ODH's newborn screening laboratory for testing.

Critical congenital heart defects can be detected using pulse oximetry, which is a test that determines the level of oxygen in a baby's blood and the baby's pulse rate. The test is done by attaching a sensor to the baby's foot or hand. According to the Centers for Disease Control and Prevention (CDC), the test is done when a baby is 24 to 48 hours old. The CDC states that the cost of screening includes screening equipment, supplies, and staff time to perform the tests and to communicate with parents. The CDC estimates the cost of the screening to be between \$5 and \$10 and the actual time involved for the screening to be about five minutes.

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¹ 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.