



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 4 of the 130th G.A.      **Date:** March 13, 2013  
**Status:** As Reported by Senate Medicaid, Health & Human Services      **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 establishing an electronic system to receive screening results for critical congenital heart defects and administrative costs for managing and analyzing the screening data collected. ODH estimates that information technology costs for establishing the system would be \$150,000, for the first year of implementation. There would be maintenance costs in subsequent years. In addition, ODH estimates that administrative costs for managing and analyzing the data would be \$30,000 per year.

### 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 using pulse oximetry could experience an increase in costs for purchasing the pulse oximeter and for conducting the screening. 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).

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## Detailed Fiscal Analysis

The bill requires each hospital and freestanding birthing center in Ohio to conduct a pulse oximetry screening on newborns 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; the attending physician; and the Ohio Department of Health (ODH) of the screening results. According to the Ohio Hospital Association, the majority of hospitals currently conduct critical congenital heart defect 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 the pulse oximeter machine.

Lastly, the bill requires the Director of Health to adopt rules establishing procedures and standards for the screenings. ODH will experience an increase in costs for establishing an electronic system to receive screening results and administrative costs for managing and analyzing the screening data collected. ODH estimates that information technology costs for establishing the system would be \$150,000, for the first year of implementation. There would be maintenance costs in subsequent years. In addition, ODH estimates that administrative costs for managing and analyzing the data would be \$30,000 per year.

### 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.<sup>1</sup> The cards with the blood samples are returned to ODH's newborn screening laboratory for testing.

Pulse oximetry 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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<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.