

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB1190

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Moran

3. Committee: Health, Welfare and Institutions

4. Title: Infant Mortality Prevention Act

5. Summary: Requires certain measures designed to lower the infant mortality rate in the Commonwealth, including: expanding FAMIS eligibility for pregnant women with an income level up to 200 percent of the federal poverty level and providing coverage for one year postpartum; prohibiting the state from charging copayments for prenatal services for state employees; designating a senior employee of the Department of Health as coordinator for the state's home visitation programs designed to limit infant mortality; giving the Department of Social Services responsibility for coordinating efforts among faith-based organizations working to reduce infant mortality; and requiring the Commissioner of Health to launch a public education campaign aimed at preventing Sudden Infant Death Syndrome.

6. Fiscal Impact Estimates:

Expenditure Impact: Department of Health

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2008	\$0	\$0	0.0
2009	\$1,207,733	\$0	0.0
2010	\$1,201,933	\$0	0.0
2011	\$1,201,933	\$0	0.0
2012	\$1,201,933	\$0	0.0
2013	\$1,201,933	\$0	0.0

Expenditure Impact: Department of Medical Assistance Services

	<i>Dollars</i>		
<i>Fiscal Year</i>	<i>GF</i>	<i>NGF</i>	<i>Positions</i>
2008	\$0	\$0	0.0
2009	\$2,269,608	\$4,214,986	0.0
2010	\$4,531,973	\$8,416,522	0.0
2011	\$4,945,111	\$9,183,778	0.0
2012	\$5,133,259	\$9,533,195	0.0
2013	\$5,304,256	\$9,850,761	0.0
2014	\$5,480,107	\$10,177,341	0.0

7. **Budget Amendment Necessary:** Yes, Item 295 (Department of Health) and Item 305 (Service Area 44602 – Department of Medical Assistance Services), for the costs associated with expanding postpartum coverage under FAMIS from two to twelve months. The costs associated with expanding FAMIS eligibility are already included in the Governor’s introduced budget (HB/SB 30).

8. **Fiscal Implications:**

Department of Health

This bill requires the Virginia Department of Health (VDH) to initiate and regularly update a public education campaign to educate parents on the prevention of Sudden Infant Death Syndrome (SIDS). This would be a statewide campaign with additional focus in areas most affected by SIDS deaths. The major factor in preventing SIDS deaths is safe sleeping practices. Comprehensive safe-sleep campaigns most often include: television advertisements (TV ads), radio commercials, billboards and other out-of-home advertising, and printed materials such as brochures.

Estimates for the fiscal impact of developing, implementing, and managing such a program are based on several existing campaigns administered through VDH, such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the WIC Breastfeeding Campaign; and the Statutory Rape Prevention Campaign; as well as the experience of other states. The development of media and materials that is targeted to various ethnic populations will be needed.

- TV advertisements: Through an existing state contract, VDH could buy and place approximately 1,950 television/cable commercials (this is a conservative estimate) for a total of 36 weeks. Commercials would consist of ‘bookend’ spots that are 15 seconds long, ten-second ads, and thirty-second commercials. The cost includes full development and production of the 10, 15, and 30-second commercials. The estimated cost for TV ads is \$500,900. The advertisements would need to be updated or revised at least annually.
- Radio commercials: Through an existing state contract, VDH could buy and place approximately 2,400 radio commercials. Estimates are for commercials to run for a 24 week period. Commercials would consist of both 30 second and 60 second radio spots at a cost of \$335,439. The cost includes creative, production, talent, and shipping of new 30 and 60 second radio commercials. Radio commercials would need to be updated/revised at least annually.
- Out-of-Home Advertisements: Out-of-Home advertisements for this campaign refer to billboard, bus, and metro station advertisements. Through an existing state contract, VDH could buy and place approximately 40 bus trail displays, 300 internal bus cards, and 14 metro station ads in Northern Virginia, as well as three rotary billboards that will rotate every two months to a different area location (three moves total) in Richmond and Norfolk. Out-of-Home advertisements would run for 36 weeks at a cost of about \$163,661. The cost includes re-design, printing and shipping charges. These advertisements would need to be revised at least annually.
- Printed materials: This includes brochures, which would be needed to reach parents through OB/GYN and pediatric offices, health departments, hospitals, HMO’s, WIC/Medicaid programs. Brochures would also be included in the New Parent Toolkit. VDH does not have a Virginia specific brochure and would need to design a new. It is

estimated that to create the brochure, field test it, and print it, could cost about \$15,000 the first year. For the second year and thereafter, the cost would consist only of printing. This is estimated at 100,000 brochures at a cost of \$0.10 per brochure for a total of \$10,000.

VDH would also include information on the Governor's website "Smart Beginnings" that was developed through the Early Childhood Workgroup and now administered by the Virginia Early Childhood Foundation. Limited information on SIDS is already located on this website. It is estimated that at least \$10,000 to design and place the SIDS reduction message on this website and in the new parent newsletters would be needed.

Because research suggests that crib sheets and door hangers are not effective social marketing tools for SIDS prevention, VDH does not intend to purchase these items.

Effectiveness of the campaign would be evaluated through contracting with an appropriate entity to administer surveys to determine pre- and post-campaign knowledge of safe sleep practices. Based on similar evaluations, this is estimated at approximately \$150,000. Annual evaluation of the campaign would occur.

Based on these estimates, it is anticipated that a SIDS prevention campaign could be undertaken for approximately \$1,205,554 in FY 2009, and \$1,200,554 in FY 2010. Additionally, it is anticipated that a wage or contractual position would be needed to manage this campaign on an ongoing basis. The estimated cost of this position would be \$30,554. Also, the estimates include one-time cost for a computer and printer (\$800), and on-going VITA costs (\$1,379).

Budget for SIDS Public Awareness Campaign:

Item	FY 2009	FY 2010 and beyond
TV ads	\$500,900	\$500,900
Radio	\$335,439	\$335,439
Out-of-Home Advertisements	\$163,661	\$163,661
Brochures	\$15,000	\$10,000
Website	\$10,000	\$10,000
Evaluation	\$150,000	\$150,000
Contracted Project Manager	\$30,554	\$30,554
Computer	\$800	\$0
VITA	\$1,379	\$1,379
Total	\$1,207,733	\$1,201,933

Department of Medical Assistance Services

1) FAMIS MOMS Eligibility Expansion

Based on an analysis of the number of children under the age of one enrolled in FAMIS during FY 2006, DMAS estimates there are approximately 1,800 eligible pregnant women with incomes between 133 percent and 200 percent federal poverty level (FPL). It is estimated that approximately three-fourths (1,350) of these pregnant women will be covered

in the current FAMIS MOMS program which currently allows incomes between 133 percent and 185 percent of FPL. Allowing for implementation during the first year, it is estimated approximately 400 additional women would be covered in FY 2010, with enrollment eventually reaching 450 additional women each year if the program is expanded to 200 percent of FPL.

The estimated cost per birth in FY 2009 is \$10,403. This includes \$9,396 related to the cost for the mother and delivery and \$1,007 in additional costs for the infant as a result of them being enrolled at the time of birth. Currently, some infants are not enrolled in the program until several months after their birth. The cost per additional birth covered is estimated to grow five percent per year.

This estimate also includes funding for increased administrative expenditures at the FAMIS central processing unit (CPU) which handles eligibility determinations for the FAMIS and FAMIS MOMS programs.

Multiplying the estimated number of births times the cost per birth, adding the administrative expenditures for the CPU and adjusting the first two years to account for program ramp-up results in an estimated total cost of \$2.9 million (\$1.0 million GF) in FY 2009 and \$4.5 million (\$1.6 million GF) in FY 2010.

	Pregnant Women	Average \$/Birth	Medical Costs	Administrative Costs	TOTAL COSTS	GF	NGF
FY2009	270	\$10,403	\$2,808,810	\$49,622	\$2,858,432	\$1,000,451	\$1,857,981
FY2010	405	\$10,923	\$4,423,876	\$66,164	\$4,490,040	\$1,571,514	\$2,918,526
FY2011	450	\$11,470	\$5,161,280	\$69,471	\$5,230,751	\$1,830,763	\$3,399,988
FY2012	450	\$12,043	\$5,419,344	\$72,945	\$5,492,289	\$1,922,301	\$3,569,988
FY2013	450	\$12,645	\$5,690,311	\$76,592	\$5,766,903	\$2,018,416	\$3,748,487
FY2014	450	\$13,277	\$5,974,827	\$80,422	\$6,055,248	\$2,119,337	\$3,935,912

2) *Increasing Postpartum Coverage*

Increasing postpartum coverage for FAMIS MOMS from two months to twelve months, DMAS would expect 10 additional months of costs for each woman in the program, excluding those women that become eligible for Medicaid and receive continued coverage (approximately six percent of enrollees). The cost per month for the postpartum coverage was estimated using a program with similarly aged non-pregnant women. These additional expenditures were offset with current monthly expenditures for family planning services.

Because this proposal would affect only those deliveries beginning July 1, 2008, the costs have been estimated to be less in FY 2009 than in following years.

	TOTAL COSTS	GF	NGF
FY2009	\$3,626,163	\$1,269,157	\$2,357,006
FY2010	\$8,458,455	\$2,960,459	\$5,497,996
FY2011	\$8,898,138	\$3,114,348	\$5,783,790
FY2012	\$9,174,164	\$3,210,958	\$5,963,207
FY2013	\$9,388,114	\$3,285,840	\$6,102,274
FY2014	\$9,602,199	\$3,360,770	\$6,241,430

Department of Social Services

This legislation requires the Department of Social Services (DSS) to coordinate efforts among faith-based, volunteer, private, and community organizations in their efforts to reduce infant mortality through outreach and education. The department must also coordinate with the Department of Health in these faith-based outreach efforts, particularly in dealing with the needs of minorities.

The department already has a number of responsibilities involving targeted groups in meeting the human service needs and addressing disaster response and recovery among faith-based, volunteer, and private and community organizations. Further expansion of targeted groups and responsibilities would necessitate the addition of one additional staff person. This staff person, a program administration specialist (pay band 5) will be knowledgeable about faith-based and community organizations. In addition, this staff person will expand the network of faith based and community organizations that partner with DSS and work closely with these organizations to develop a plan to reduce the infant mortality rate through outreach and education on a continuous basis.

Assuming a salary of \$50,000, salary and benefits for this position are estimated to be \$70,010 annually. Funds to cover the routine operating costs of postage, office supplies, travel, telephone, rent, and etc. are estimated at \$7,570 per year. One-time costs of \$6,500 are included in the first year for furniture and equipment. The total cost of DSS personnel, operating, and equipment for HB 1190 is estimated at \$84,080 general fund in the first year and \$77,580 general fund each year thereafter.

Department of Human Resource Management

The legislation would prohibit the state from charging copayments for prenatal care services for state employees. However, the bill does not specifically define prenatal care services; therefore, the Department of Human Resource Management (DHRM) has provided four scenarios of the estimated financial impact of the legislation based on the various definitions of prenatal care services.

If prenatal care services are defined as typical physician services (pre-natal plus labor and post-partum visit) which are global-bill (only one bill for all services):

- 1) The waiver of initial OB office visit co-payment would result in a 0.02 percent increase to expected medical claims or \$100,000; or
- 2) The bill does not include services that fall outside the global bill (global bill copay waived only); there will be a 0.02 percent increase to expected medical claims or \$100,000.

If prenatal care services are defined as other services, such as amniosynthesis, ultrasound, lab, etc:

- 3) The bill does include services that fall outside the global bill (global bill and other diagnostic waived); there will be a 0.12 percent increase to expected medical claims or \$575,000.
- 4) The bill expects to waive the initial copay, global bill, and other diagnostic; there will be a 0.14 percent increase to expected medical claims or \$675,000.

9. Specific Agency or Political Subdivisions Affected: Department of Health, Department of Human Resource Management, Department of Social Services, and Department of Medical Assistance Services

10. Technical Amendment Necessary: No.

11. Other Comments: No.

Date: 2/5/2008 lrj

Document: HB1190.doc

cc: Secretary of Health and Human Resources