

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 65 – HB 373

March 28, 2011

SUMMARY OF AMENDMENT (005384): Deletes the original bill. Directs the Genetic Advisory Committee to develop a screening program for critical cyanotic congenital heart disease (CCCHD) for newborns, using pulse oximetry, on or before January 1, 2012.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$223,800/FY11-12
\$329,500/FY12-13 and Subsequent Years

Increase Local Expenditures – Exceeds \$10,000/FY11-12
Exceeds \$20,000/FY12-12 and Subsequent Years

Increase Federal Expenditures – \$223,700/FY11-12
\$447,400/FY12-13 and Subsequent Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – \$18,600/One-Time
\$80,800/Recurring**

Assumptions applied to amendment:

- The screening program developed by the Genetics Advisory Committee will be implemented.
- The Department of Health (DOH) will promulgate rules related to screening for CCCHD, revise existing screening forms, establish a new system for receipt of screening results, perform follow-up on test results, develop and maintain a list of approved screening providers, develop public health nursing protocols, and provide training and equipment to local health departments. DOH will hire one additional registered nurse to administer the state-wide program.

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- Recurring costs for DOH are estimated to be \$80,827 for salary (\$49,800), benefits (\$16,827), administrative costs (\$7,900), office space (\$4,100), network connections (\$1,600) and office supplies (\$600). One-time costs are estimated to be \$18,600 for purchase of pulse oximetry equipment (\$9,500), travel (\$4,000), office landscaping (\$2,700) and computer costs (\$2,400).
- The cost to modify the existing database to support new screening results, develop and print new education materials, and revise and re-print the newborn screening forms can be accommodated within existing resources of DOH without an increased appropriation or reduced reversion.
- Pulse oximetry testing is currently a covered benefit when determined medically necessary in the TennCare program, State, Local Education, and Local Government Health Plan, and CoverKids program. It is assumed that the developed program will not result in a significant increase in the number of tests performed on enrollees and, as a result, will have a not significant fiscal impact on these programs.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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