



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 316** HLS 21RS 380
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 25, 2021	4:21 PM	Author: DAVIS
Dept./Agy.: LDH/OPH		
Subject: Newborn screening panel		Analyst: Tanesha Morgan

CHILDREN/NEWBORNS RE +\$368,717 GF EX See Note Page 1 of 1
 Adds mucopolysaccharidosis type I, Krabbe, and glycogen storage disorder type II to the state's newborn screening panel

Proposed law provides that mucopolysaccharidosis type I (MPS I), Krabbe, and glycogen storage disorder type II (Pompe) diseases shall be added to the list of genetic conditions for which newborn children are tested.

This Act shall become effective on January 1, 2022.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$368,717	\$737,434	\$737,434	\$737,434	\$737,434	\$3,318,453
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$252,533	\$505,066	\$505,066	\$505,066	\$505,066	\$2,272,797
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$621,250	\$1,242,500	\$1,242,500	\$1,242,500	\$1,242,500	\$5,591,250
REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$252,533	\$505,066	\$505,066	\$505,066	\$505,066	\$2,272,797
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$252,533	\$505,066	\$505,066	\$505,066	\$505,066	\$2,272,797

EXPENDITURE EXPLANATION

The proposed legislation is anticipated to increase expenditures in OPH during FY 22 by \$621,250 (\$368,717 SGF and \$252,533 Federal) for testing (\$24.85 per test x 25,000 births for 6 months) as a result of adding MPS I, Krabbe, and Pompe diseases to the newborn screening panel. This cost will be annualized (doubled) in future fiscal years. The OPH's Genetic Disease program and laboratory services would provide for screening, follow up, and surveillance activities to add MPS I, Krabbe, and Pompe diseases to the screening panel.

OPH anticipates hiring a Laboratory Scientist and Program Monitor at a salary of approximately \$63,000 and \$72,000, respectively, plus related benefits to perform testing and follow up activities. The LFO cannot corroborate that the requirements of the proposed law will create a workload level sufficient to require two full time employees. To the extent that existing employees are used, personnel cost will be mitigated. Therefore, this cost is not reflected in the total above.

The fiscal note also does not contemplate any treatment cost associated with newborns that test positive for MPS I, Krabbe, or Pompe disease.

NOTE: A portion of the testing cost will be reimbursed to OPH by the Medicaid program. The total reimbursement is anticipated to be \$355,680 (\$103,147 SGF and \$252,533 Federal), which is calculated by multiplying the Medicaid reimbursement rate for the tests by the projected number of Medicaid eligible newborns (18,000 Medicaid newborns for 6 months in FY 22 x \$19.76 reimbursement rate for tests). This cost will be annualized (doubled) in future fiscal years.

REVENUE EXPLANATION

The proposed legislation adds MPS I, Krabbe, and Pompe disease to the newborn screening panel, resulting in an increase in expenses that are eligible for reimbursement through Medicaid. The increase in federal revenue is anticipated to be \$252,533 in FY 22 for one-half year (see NOTE above). This revenue will be annualized at \$505,066 in future fiscal years.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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