



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 643** HLS 23RS 1433
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: HB 122

Date: May 16, 2023	4:57 PM	Author: HORTON
Dept./Agy.: LDH		
Subject: Cytomegalovirus		Analyst: Tanesha Morgan

CHILDREN/NEWBORNS RE INCREASE GF EX See Note Page 1 of 1
 Provides relative to the mandatory screening of all newborns for early detection of the cytomegalovirus (CMV)

Proposed law requires a healthcare provider attending a newborn child to test for the cytomegalovirus (CMV) if the newborn fails the newborn hearing screen.

Proposed law further requires the La. Dept. of Health (LDH) to provide payment directly to all healthcare providers for the costs incurred as a result of CMV testing.

EXPENDITURES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
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	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation is anticipated to increase annual expenditures at LDH by approximately \$62,362 SGF (\$35.84 testing cost x 1,740 newborns) as a result of reimbursing providers for CMV testing, and the department further indicates that they will incur one time cost in FY 24 of approximately \$6 M SGF associated with modifying its computer systems to allow Medicaid to process non-Medicaid claims. The LFO agrees that the department will have to modify its computer system but cannot corroborate the cost of \$6 M. The LFO is working with the department to substantiate this estimate.

The bill provides that if a newborn fails the hearing screen, the healthcare provider must test the baby for CMV. Approximately 58,000 babies are born in the state each year, of which up to 3% are estimated to fail the newborn hearing screen. Therefore, 1,740 (58,000 x 3%) newborns are estimated to be tested for CMV.

The bill adds that LDH must reimburse the provider for the test. Assuming that LDH reimburses at the Medicaid reimbursement rate of \$35.09 per test and incurs a cost of \$0.75 claim processing fee, the cost per test is \$35.84 (\$35.09 reimbursement + \$0.75 processing fee).

To the extent a baby tests positive for CMV, there will be costs associated with treatment. Treatment cost is not included in the fiscal note.

NOTE: The American Academy of Pediatrics estimated that up to 3% of newborns fail the newborn hearing screen.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer