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FISCAL IMPACT REPORT

SPONSOR Robinson DATE TYPED 02-28-05 HB _____

SHORT TITLE Low-Income Prenatal Care SB 928

ANALYST Woods

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the appropriation for the University of New Mexico in the General Appropriations Act.

Relates to SB107, SB782

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

Department of Health (DOH)

Health Policy Commission (HPC)

No Response Received From

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 928 – Making an Appropriation for Prenatal Care for Low-Income Women – appropriates \$100,000 from the general fund to the Board of Regents of the University of New Mexico for expenditure in FY06 to pay for the maternity and infant care program at the Health Sciences Center to provide prenatal care for low-income women. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Significant Issues

DOH indicates that the Maternal and Infant Care program (M&I Program) began in 1992 in response to an unmet need for prenatal and family planning care for low-income women in Albuquerque, the majority of whom self-pay. It provides low-risk prenatal care at five clinics in Albuquerque. According to the program, reimbursement by low-income self-pay women for pregnancy care averages about 10 percent of the billed amount. The program bills about \$1,045,000 to self-pay patients. DOH adds that studies have shown that prenatal care significantly decreases the incidence of premature and low birth weight babies, and by doing so saves from between \$2 and \$3.50 for every dollar spent in neonatal intensive care costs.

HSD notes that this program potentially overlaps with current Medicaid programs as well as the proposed SCI program, which proposes to include UNM as a health care delivery system for SCI. Medicaid, including SCI, covers prenatal care for women from 0-200 percent of the federal poverty level.¹ It is not clear how infant care is included in this bill since the bill title is “prenatal.” Children are not covered under SCI.

This program was not included in the CHE’s 2005-2006 *Higher Education Funding Recommendation*.

PERFORMANCE IMPLICATIONS

DOH notes that the legislation is consistent with the department’s strategic plan, program area 2: Health Care Delivery – Public Health Division. *Strategic Direction*: Improve access to health services.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The University of New Mexico will retain oversight of this program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to the appropriation for the University of New Mexico in the General Appropriations Act.

¹ The SCI program is a Health Insurance Flexibility and Accountability (HIFA), Section 1115 (of the Social Security Act) Demonstration Project, which was approved by the Centers for Medicare and Medicaid Services (CMS) on August 23, 2002. Section 1115 allows states to test substantially new ideas of policy merit for a limited number of years. It provides flexibility for the provision of services that are not otherwise matchable and allows for the expansion of eligibility for those who would otherwise not be eligible for the Medicaid program. CMS maintains the responsibility to evaluate the project, and the demonstrations cannot be expected to cost the federal government more than it would cost without the waiver.

Relates to SB107 in that SB107 seeks to appropriate \$319,000 from the general fund to University of New Mexico Board of Regents to expand the Health Sciences Center's perinatal program. However, DOH suggests that this special perinatal program is a statewide outreach program to provide high-risk prenatal care by perinatologists and address different patients.

Relates to SB782 in that SB782 seeks to authorize the Human Services Department to implement a Medicaid waiver program to provide a health plan for uninsured individuals.

SUBSTANTIVE ISSUES

As general background, DOH indicates that New Mexico had the lowest percent of women beginning prenatal care in the first trimester among all states in 2002 and the highest percent of women who either began prenatal care in the third trimester of pregnancy or received no prenatal care.² Another increasingly common measure of prenatal care utilization is the Adequacy of Prenatal Care Utilization Index, which incorporates recommendations from the American College of Obstetricians and categorizes care as intensive, adequate, intermediate and inadequate. New Mexico's rate of inadequate prenatal care utilization was 115 percent higher than the National rate in 2002 and at 24.3 percent meant that nearly 1 in 4 women giving birth in New Mexico received inadequate prenatal care.³

DOH adds that the Maternal & Infant Care Program received an annual budget of \$887,200 from the DOH beginning in 1992. The funding had been reduced to \$800,000 by Fiscal Year 1996. It was reduced to \$400,000 in Fiscal Year 1998 and, in subsequent years, was reduced to \$345,000 for Fiscal Year 2005. According to the program, about 950 out of approximately 1500 women per year pay for their own prenatal care. The usual charge for prenatal care, based on \$93 per visit, averages \$1,100 per patient.

HPC offers the following observations drawn from various sources:

- The Maternity and Infant Care Program provides medical services to women living in Bernalillo, Sandoval and Valencia Counties.
- The program provides services to include well-women care, prenatal care for expecting mothers, and family planning.
- Low-birth weight (less than 5 pounds 8 ounces at birth) affects one in 13 babies and is a factor in 65 percent of infant deaths.
- Between 1992-2002, the rate of preterm infants born in New Mexico increased nearly 19 percent.
- In 2001, an estimated \$13.6 billion for hospital stay was charged for various premature-related infant care.
- In the United States, infants born to mothers less than 20 or over 35 years of age are more likely to be preterm than infants born to mothers 20-35.

² National Center for Health Statistics, Births: Final Data for 2002

³ New Mexico Vital Records and Health Statistics, Selected Health Statistics, 2002

- Some risk factors for preterm birth and low birth weight include: previous preterm and/or low birth weight birth, multiple birth, smoking, unplanned pregnancy, infections and poor nutrition.
- New Mexico had the highest teen birth rate in the nation in 2002.
- In 2003, Medicaid paid for 49 percent of all births to teen mothers in New Mexico.
- Over 4,500 New Mexico teens gave birth in 2002, which translates to 12 teen births per day.

HPC adds that according to a 2004 American Public Health Association report on New Mexico's health:

- Support for public health is the lowest in the nation, 47 percent below average.
- Only 45.9 percent of pregnant Native American women have access to adequate prenatal care compared to 60 percent of White women.
- Latinos, Asian Americans, and American Indians account for 70 percent of state residents lacking insurance.
- The teen birth rate for African Americans, Latinos and American Indians is more than five times greater than for Whites.

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