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FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/10
 SPONSOR HAFC LAST UPDATED 02/08/10 HJM 14/HAFCS
 SHORT TITLE Hospital Infectious Disease Screening SB _____
 ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY10 | FY11 | FY12 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|------|----------------|------|-------------------|----------------------|---------------|
| Total | | \$5.0 - \$50.0 | | | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

The House Appropriations and Finance Committee Substitute (HAFCS) for House Joint Memorial 14 requests that the Hospital-Acquired Infection Advisory Committee (HAI AC) in DOH maximize its efforts under the Health-Care-Acquired Infections Prevention Plan (HAI Prevention Plan) to extend evidence-based infection prevention improvement efforts to hospitals statewide as rapidly as possible.

The HAFCS provides for the following:

- the Hospital-Acquired Infection Act was signed into law on April 7, 2009, establishing the HAI AC and its scope of work;
- the HAI AC has been overseeing an initial voluntary participation of six hospitals in the surveillance and reporting of two indicators of hospital-acquired infections (HAI's);
- the law requires an expansion of the activities of the initial voluntary program to a statewide program of qualified hospitals by July 1, 2011;
- there is widespread interest in tracking HAI's, including federal health reform measures, at least one of which includes requirements to report on HIA's to the Federal Centers for Disease Control and Prevention (CDC) and to refuse reimbursement for Medicaid payments for certain health care-associated conditions;
- the state of Pennsylvania was the first state in the nation to begin collecting and reporting information about HAI's;
- Pennsylvania has issued its first report on HAI's, entitled *Hospital-Acquired Infections in Pennsylvania*, which reflects that HAI's were associated with 1793 deaths and an

estimated 205 thousand extra hospital days and two billion dollars in additional hospital charges in that state;

- the vigilant collection and reporting of information regarding HAI's in New Mexico could lead to substantial savings for the health care system;
- the CDC has recognized that multiple types of HAI's, including bloodstream infections, urinary tract infections, pneumonia and surgical site infections, are highly preventable;
- the CDC has funded a multiyear Federal American Recovery and Reinvestment Act of (ARRA) 2009 grant for the NM DOH to develop a program to prevent HAI's;
- DOH has prepared a detailed HAI Prevention Plan as part of the requirements of this Federal grant, including provisions for the establishment of a working group to implement prevention strategies.

FISCAL IMPLICATIONS

DOH staff would need to prepare interim reports each year.

The CDC has funded a multiyear grant for New Mexico's DOH to develop a program to prevent HAI's. DOH has prepared a HAI Prevention Plan as part of the requirements of this Federal grant.

Prolonged hospital stays not only increases direct costs to patients and payers, but also indirect costs due to lost productivity or work.

SIGNIFICANT ISSUES

HAI's are infections that patients acquire during the course of receiving treatment for other conditions within a healthcare setting. HAI's are one of the top ten leading causes of death in the United States.

PERFORMANCE IMPLICATIONS

In 2009, the NM Legislature passed Senate Bill 408 entitled the "Hospital-Acquired Infection Act". The Act established the membership of and actions to be completed by the HAI AC.

The HAI AC recently submitted the NM HAI Prevention Plan to the U.S. Department of Health and Human Services with specific goals, objectives and timelines. The HAI AC believes that reduction of HAI's can and will take place without universal screening because extensive education, surveillance, reporting and prevention collaborative work will address the issues in an ongoing fashion.

ADMINISTRATIVE IMPLICATIONS

The HAI AC will be required to present a report on its progress under the Federal grant to the interim Legislative Health and Human Services Committee by October of each year.

TECHNICAL

The terms hospital-acquired infections and healthcare-associated infections appear to be used

interchangeably by the industry. Using the term healthcare-associated infections may help address infections that occur and are treated at hospitals and all other healthcare facilities.

OTHER SUBSTANTIVE ISSUES

Infection rates appear to be higher among patients with increased susceptibility due to older age, underlying disease, or chemotherapy treatment.

According to the CDC, of these HAI's:

- 32 percent are urinary tract infections;
- 22 percent are surgical site infections;
- 15 percent are pneumonia (lung infections); and
- 14 percent are bloodstream infections.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The NM HAI AC would continue current activities under the HAI Prevention Plan.

AHO/mew