

Department of Legislative Services
 Maryland General Assembly
 2009 Session

FISCAL AND POLICY NOTE

House Bill 283 (Delegates Frank and Morhaim)
 Health and Government Operations and
 Judiciary

Task Force on Administrative Compensation for Birth-Related Neurological Injury

This bill establishes a Task Force on Administrative Compensation for Birth-Related Neurological Injury to (1) study the administrative compensation programs for birth-related neurological injury established or proposed in other states; (2) investigate the issues critical to designing such a program; and (3) examine the impact of such a program on obstetricians and the availability of affordable obstetrical liability coverage. The Department of Health and Mental Hygiene (DHMH), consulting with the Workers' Compensation Commission (WCC) and other appropriate State agencies, has to staff the task force. The task force has to be appointed, organized, and begin its deliberations by November 1, 2009, submit an interim report by December 1, 2010, and submit a final report by December 1, 2011.

The bill terminates December 31, 2011.

Fiscal Summary

State Effect: General fund expenditures for DHMH increase by \$43,600 in FY 2010 to staff the task force. Future years reflect annualization, inflation, and the task force terminating in FY 2012. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	43,600	51,400	26,900	0	0
Net Effect	(\$43,600)	(\$51,400)	(\$26,900)	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: None.

Analysis

Current Law: None applicable.

Background: Both Virginia and Florida have birth-related neurological injury compensation plans. Florida enacted the Birth-Related Neurological Injury Compensation Plan in 1988. The Virginia Birth-Related Neurological Injury Compensation Act was enacted in 1987. Both programs provide compensation for medical and certain other expenses of children with severe birth-related neurological injuries. The injury must have been caused by oxygen deprivation or mechanical injury, which occurred during the labor, delivery, or resuscitation in the immediate post-delivery period in a hospital. Doctors and hospitals can choose whether to participate in the compensation plans.

State Expenditures: General fund expenditures increase by an estimated \$43,587 in fiscal 2010, which accounts for the bill's October 1, 2009 effective date. This estimate reflects the cost of hiring one contractual health policy analyst to staff the task force and assist the task force in managing the complex and contentious financial, policy, administrative, and legal issues. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salary and Fringe Benefits	\$35,794
Operating Expenses	7,793
Total FY 2010 State Expenditures	\$43,587

Future year expenditures reflect a full salary with 4.4% annual increases and 6.8% employee turnover; 1% annual increases in ongoing operating expenses; and the task force terminating on December 31, 2011.

WCC and any other State agencies can consult with DHMH regarding the task force using their existing budgeted resources.

Additional Information

Prior Introductions: HB 1124 of 2008 was referred to the House Health and Government Operations Committee but was later withdrawn. HB 338 of 2007 was

referred to Health and Government Operations as well as the Judiciary Committee but was later withdrawn. HB 107 of 2006, received an unfavorable report by Health and Government Operations. It also had a hearing in Judiciary, but no further action was taken. Its cross file, SB 203, received an unfavorable report by the Senate Judicial Proceedings Committee. HB 433 of 2005 had a hearing in Judiciary and Health and Government Operations, but no further action was taken by either committee.

Cross File: None.

Information Source(s): Maryland Health Claims Alternative Dispute Resolution Office, Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2009
mlm/ljm

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