

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

House Bill 107 (Delegate Morhaim, *et al.*)
 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 effect of such a program on the supply of physicians practicing obstetrics and on the availability of affordable obstetrical liability coverage. The Department of Health and Mental Hygiene (DHMH), in consultation with the State Workers' Compensation Commission and other appropriate State agencies, must staff the task force. The task force must be appointed, organized, and begin its deliberations by November 1, 2006, submit an interim report by December 1, 2007, and submit a final report by December 1, 2008.

The bill terminates December 31, 2008.

Fiscal Summary

State Effect: General fund expenditures for DHMH could increase by \$41,700 in FY 2007. No effect on revenues. Future years reflect annualization, inflation, and the task force terminating in FY 2009.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	41,700	48,000	25,000	0	0
Net Effect	(\$41,700)	(\$48,000)	(\$25,000)	\$0	\$0

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

Local Effect: None.

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 the 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 for DHMH could increase by an estimated \$41,677 in fiscal 2007, which accounts for the bill's October 1, 2006 effective date. This estimate reflects the cost of hiring one contractual health policy analyst to staff the task force. It includes a salary, fringe benefits, one-time start-up costs, travel expenses, and ongoing operating expenses.

Salary and Fringe Benefits	\$33,744
Operating Expenses	<u>7,933</u>
Total FY 2007 State Expenditures	\$41,677

Future year expenditures reflect: (1) a full salary with 4.6% annual increases and 6.8% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) the task force terminating December 31, 2008.

The State Workers' Compensation Commission and any other State agencies can consult with DHMH regarding the task force using their existing budgeted resources.

Additional Information

Prior Introductions: A similar bill, HB 433 of 2005, had a hearing in the Judiciary and Health and Government Operations committees. No further action was taken.

Cross File: SB 203 (Senator Harris) – Judicial Proceedings.

Information Source(s): Workers' Compensation Commission; Department of Health and Mental Hygiene; *Review of the Virginia Birth-Related Neurological Injury Compensation Program*, Joint Legislative Audit and Review Commission of the Virginia General Assembly, January 15, 2003; Florida Birth-Related Neurological Injury Compensation Association; Department of Legislative Services

Fiscal Note History: First Reader - February 8, 2006
nas/jr

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