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FISCAL AND POLICY NOTE
Revised

House Bill 507 (Delegate Taylor, *et al.*)
 Health and Government Operations Education, Health, and Environmental Affairs

Department of Health and Mental Hygiene - Folic Acid Supplement Distribution Program

This bill creates a Folic Acid Supplement Distribution Program within the Department of Health and Mental Hygiene (DHMH) to reduce the number of cases of neural tube defects and other birth defects in the State. The program will distribute an appropriate folic acid supplement to “women of childbearing age” (15-45) who have family incomes at or below 185% of the federal poverty level. The program also must provide counseling and written information regarding the proper use of the supplement and any other health information necessary. Subject to funding availability, the program must be funded as provided for in the State budget.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$848,000 in FY 2007. Out-years reflect annualization, a stable number of women participating in the program, and inflation.

(\$ in millions)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	.8	1.1	1.1	1.2	1.2
Net Effect	(\$.8)	(\$1.1)	(\$1.1)	(\$1.2)	(\$1.2)

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

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A hospital, or a person signing the birth certificate if a birth occurs outside of a hospital, must report on each child who is born live or stillborn and has a sentinel birth defect. Sentinel birth defects are anencephaly, spina bifida, hydrocephaly, cleft lip, cleft palate, esophageal atresia, rectal/anal atresia, reduction deformity in the upper limb, reduction deformity in the lower limb, hypospadias, congenital hip dislocation, and Down Syndrome. Reports must be submitted monthly to DHMH. DHMH must prepare and periodically update information on sentinel birth defects and available public and private services for the disabled with sentinel birth defects.

The child's identity must be disclosed to the Secretary of Health and Mental Hygiene so the Secretary may use the information to protect the public health or provide the parents with information on birth defects and available public and private services. The Secretary must send a letter to the parent or guardian of each child with a sentinel birth defect before the child is six months old. The letter must include information about the birth defect and available services with an emphasis on needs identified after the child is discharged from the hospital. DHMH and the Maryland Department of the Environment must jointly develop procedures to monitor data on birth defect trends which may be caused by environmental hazards.

Background: This bill is based on an Arizona program that distributes folic acid supplements to women of childbearing age and provides counseling and information regarding the proper use of the supplements. Local health departments are required to distribute the supplements and provide counseling.

The bill would affect women in the federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as well as women participating in the family planning programs operated by local health departments. Women who have family incomes at or below 185% of the federal poverty level are eligible to participate in these programs.

WIC is a preventative health program designed to ensure the healthy growth and development of young children by providing nutrition assessments and education, supplemental foods, and health care referrals to pregnant, postpartum, and breast-feeding women, as well as infants and children younger than five years old. WIC programs are not authorized to dispense dietary or other supplements. Medicaid covers prenatal vitamins and mineral supplements requiring a doctor's prescription that usually contain one milligram of folic acid. DHMH advises that 49% of the pregnant women in WIC also participate in Medicaid and so are already receiving the appropriate vitamin and mineral dietary supplement.

In November 2005, a total of 28,026 women of childbearing age (15-45) were in the Maryland WIC program: 12,677 pregnant women and 15,349 postpartum women. **Appendix 1** lists these WIC participants by the 19 local WIC agencies. It is assumed that the 12,677 pregnant women already receive a folic acid supplement from either Medicaid or a private health care provider and would not receive a folic acid supplement through the program. As a result, all of the postpartum WIC participants (15,349) would be covered under the bill. Statewide, local health department family planning clinics annually see 76,651 nonpregnant women. As a result, a total of 92,000 women will receive a folic acid supplement through the program each month.

The fiscal 2007 WIC budget is \$62.8 million (\$62.6 million in federal funds and \$250,000 in general funds) plus an estimated \$28.1 million in manufacturer rebates. WIC funds may not be used to pay for vitamins and dietary supplements. WIC staff may not distribute vitamins and dietary supplements paid for with another funding source if doing so requires a substantial amount of the employee's time.

WIC staff currently counsel postpartum women about the link between folic acid and the reduction of neural tube defects, encourage women to consume foods that contain folic acid, and refer these women to their health care provider regarding the need for a folic acid supplement. WIC staff also counsel pregnant women about the importance of iron to reduce the risk of iron deficiency anemia, discuss food sources of iron, and refer women to their health care provider regarding the need for a dietary iron supplement or prenatal vitamin with iron.

Neural Tube Defects and Folic Acid

Neural tube defects occur in an estimated 1 out of every 1,000 pregnancies annually in the U.S., according to the Centers for Disease, Control, and Prevention (CDC). Between 80% and 90% of children born with spina bifida live. In cases of anencephaly, the brain does not completely develop or never develops. The condition is fatal and results in a miscarriage or death soon after birth.

CDC recommends that women of childbearing age take 400 micrograms of synthetic folic acid daily to prevent neural tube defects. When taken as a vitamin supplement one month before conception and throughout the first trimester, folic acid reduces the risk of neural tube defects by 50% to 70%. Folic acid also is contained in fruits; green, leafy vegetables; and dried beans and legumes. Certain grain products such as pasta, rice, bread, flour, and cereal are enriched with folic acid.

Birth Defects in Maryland

The total number of Maryland infants with at least one sentinel birth defect who are either born live or stillborn has increased from 403 in 1997 to 458 in 2003, peaking at 491 in 2002, according to DHMH’s Office for Genetics and Children with Special Health Care Needs. Likewise, the total number of sentinel birth defects increased from 422 in 1997 to 481 in 2003, peaking at 536 in 2002. However, the office does not know whether these increases are due to a true increase in sentinel birth defects in Maryland or whether they are a reflection of the improvement in birth defects reporting and DHMH’s ability to verify the data.

Twelve sentinel birth defects must be reported to the State, including the neural tube defects anencephaly and spina bifida. Statewide, there were 18 cases of anencephaly and 19 cases of spina bifida in 2003, the most recent year for which this data is available.

Exhibit 1 details the incidence of sentinel birth defects in Maryland from 1997 through 2005. Data from 1997 through 2003 are final. Data from 2004 and 2005 are preliminary.

Exhibit 1
Incidence of Birth Defects in Maryland as Determined by the Birth Defects Reporting and Information System and the Division of Vital Records

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004*</u>	<u>2005*</u>
Total	403	419	429	442	456	491	458	390	304
Number of									
Infants with	64.2 per	65.3 per	66.6 per	66.6 per	69.7 per	74.9 per	68.0 per		
Sentinel	10,000	10,000	10,000	10,000	10,000	10,000	10,000		
Birth Defects	live and	live and	live and	live and	live and	live and	live and		
	still	still	still	still	still	still	still		
	births	births	births	births	births	births	births		
Total	422	443	462	469	487	536	481	N/A	N/A
Number of									
Sentinel	67.3 per	69.1 per	71.7 per	70.7 per	74.5 per	81.7 per	71.4 per		
Birth Defects	10,000	10,000	10,000	10,000	10,000	10,000	10,000		
	live and	live and	live and	live and	live and	live and	live and		
	still	still	still	still	still	still	still		
	births	births	births	births	births	births	births		

N/A: Not available.

*Note: Data for 2004-2005 are preliminary.

Source: Department of Health and Mental Hygiene

Although the number of infants with at least one birth defect appears to be decreasing from 390 infants in 2004 to 304 infants in 2005, these numbers will increase once the preliminary data are finalized. The office collects sentinel birth defects information from birth facilities then verifies and reconciles the data against birth certificates and fetal death certificates. This process allows the office to capture missed or unreported birth defects. Children born with a sentinel birth defect tracked by the State often also are diagnosed with having one or more nonsentinel birth defects, which are not required under statute to be reported to DHMH.

In 2001, 53.4% of 1,447 Maryland mothers responding to the Pregnancy Risk Assessment Monitoring System (PRAMS) survey did not take a multivitamin in the month before becoming pregnant. Another 31.2% of women took a multivitamin every day, while 5.5% took one four to six times a week and 9.9% took one to three times a week.

State Expenditures: WIC funds may not be used to pay for dietary supplements. If the folic acid supplements are paid for with other funds, existing WIC staff could distribute the supplements.

General fund expenditures could increase by an estimated \$848,000 in fiscal 2007, which accounts for the bill's October 1, 2006 effective date. This estimate reflects the cost of purchasing folic acid supplements and the development and distribution of educational materials regarding the supplements. It includes one-time start-up costs and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- women participating in WIC and local health department family programs are eligible to participate in the Folic Acid Supplement Distribution Program;
- a total of 92,000 women will receive a folic acid supplement each month;
- 15,349 postpartum women in WIC will participate in the program;
- existing nutritionists in local WIC offices will distribute folic acid supplements to 15,349 postpartum WIC women and to 76,651 nonpregnant women in local health department family planning programs; and
- folic acid supplements for each nonpregnant women cost \$1.00 per month (\$12.00 annually) per person.

Multivitamins with Supplements	\$828,000
Educational Materials	<u>20,000</u>
Total FY 2007 State Expenditures	\$848,000

Future year expenditures reflect 1% annual increases in ongoing operating expenses.

Additional Information

Prior Introductions: An identical bill, HB 14 of 2005, received an unfavorable report by the Health and Government Operations Committee.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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 ncs/jr Revised - House Third Reader - April 3, 2006
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Appendix 1

Maryland WIC Program Participation Data November 2005

<u>Local Agency</u> <u>Women</u>	<u>Pregnant Women</u>	<u>Postpartum Women</u>	<u>Total</u>
Allegany County	269	207	476
Anne Arundel County	486	710	1,196
Baltimore County	1,205	1,730	2,935
Mid Shore (Caroline, Dorchester and Talbot Counties)	326	313	639
Carroll County	179	194	373
Southern Maryland (Charles, Calvert and St. Mary's Counties)	643	723	1,366
Frederick County	430	431	861
Garrett County	103	125	228
Harford and Cecil Counties	586	665	1,251
Howard County	179	244	423
Prince George's County (Health Department)	2,074	2,126	4,200
Prince George's County (Greater Baden Medical Services)	303	478	781
Upper Shore (Kent and Queen Anne's Counties)	124	136	260
Washington County	359	339	698
Lower Shore (Wicomico, Worcester, and Somerset Counties)	557	560	1,117
Montgomery County	2,070	2,963	5,033
Baltimore City (Health Department)	1,158	1,480	2,638
Baltimore City (Johns Hopkins)	924	1,111	2,035
Baltimore City (University of Maryland)	<u>702</u>	<u>814</u>	<u>1,516</u>
Total	12,677	15,349	28,026