**SB 837**

**Department of Legislative Services**
Maryland General Assembly
2007 Session

# FISCAL AND POLICY NOTE

Senate Bill 837 (Senator Gladden)
Finance

## Hospitals and Nursing Facilities - Health Care-Associated Infections Prevention and Control Program

This bill requires each hospital or nursing facility in the State to establish a health care-associated infections prevention and control program. The Department of Health and Mental Hygiene (DHMH) must develop a system for reporting on the incidents of specified strains of bacteria found in hospitals and nursing facilities.

The bill takes effect July 1, 2007.

## Fiscal Summary

**State Effect:** DHMH general fund expenditures could increase by $193,500 in FY 2008. Future year estimates reflect annualization and inflation. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful. Small business nursing facilities could incur additional expenses due to mandatory testing and reporting.

## Analysis

**Bill Summary:** The program must be based on guidelines prepared by the Society for Health Care Epidemiology of America that requires: (1) identification of colonized or infected patients through active surveillance cultures; (2) isolation of identified patients in an appropriate manner; and (3) strict adherence to hand washing and hygiene guidelines.

DHMH, in consultation with the Maryland Hospital Association, the Health Facilities Association of Maryland, Med-Atlantic Lifespan, and other interested stakeholders, must develop a system requiring: (1) hospitals and nursing facilities to report annually on incidents of methicillin-resistant staphylococcus aureus and vancomycin-resistant enterococcus to DHMH; and (2) DHMH to submit an annual report to the Governor and the General Assembly on these incidents.

By December 1, 2007, DHMH must report to the Senate Finance Committee and the House Health and Government Operations Committee on legislative recommendations to develop the system.

**Current Law:** The Patients' Safety Act of 2001 (Chapter 318 of 2001) required the Maryland Health Care Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing the incidences of preventable adverse medical events in the State, including a system of reporting such incidences.

There is no requirement to report the types of antibiotic-resistant strains of bacteria required by the bill.

**Background:** Methicillin-resistant Staphylococcus Aureus (MRSA) is a type of bacteria that is resistant to certain antibiotics. These antibiotics include methicillin and other more common ones such as oxacillin, penicillin, and amoxicillin. Staph infections, including MRSA, occur most frequently among people in hospitals and health care facilities (such as nursing homes and dialysis centers) who have weakened immune systems.

Enterococci are bacteria that are normally present in the human intestines and in the female genital tract and are often found in the environment. These bacteria can sometimes cause infections. Vancomycin is an antibiotic that is often used to treat infections caused by enterococci. In some instances, enterococci have become resistant to this drug and thus are called Vancomycin-resistant enterococci (VRE). Most VRE infections occur in hospitals.

**State Fiscal Effect:** DHMH general fund expenditures could increase by $193,500, which accounts for a 90-day start-up delay. This estimate reflects the cost of hiring one nurse administrator, two epidemiologists, and one office secretary to maintain and analyze the reported data and compile it for required reports. There are about 238 nursing homes and 68 hospitals that would be affected by the bill. In order to trace these antibiotic-resistant strains, each facility would have to take four cultures for each patient upon admission. Almost 40% of the individuals tested would have one of the infections that are reportable under the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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| Positions | 4 |
| Salaries and Fringe Benefits | $173,433 |
| Operating Expenses | 20,074 |
| **Total FY 2007 State Expenditures** | **$193,507** |

Future year expenditures reflect: (1) annualization; (2) full salaries with 4.5% annual increases and 3% employee turnover; and (3) 1% annual increases in ongoing operating expenses.

## Additional Information

**Prior Introductions:** Two identical bills were introduced in the 2006 session, SB 535 and HB 966. The bills received unfavorable reports from the Senate Finance and House Health and Government Operations committees, respectively.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 13, 2007
ncs/jr

Analysis by: Jennifer B. Chasse

Direct Inquiries to:
(410) 946-5510
(301) 970-5510