

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 338 (Delegates Morhaim and Shank)
 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 • study the administrative compensation programs for birth-related neurological injury established or proposed in other states; • investigate the issues critical to designing such a program; and • examine the impact 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, consulting with the Workers’ Compensation Commission and other appropriate State agencies, must staff the task force. The task force has to be appointed, organized, and begin its deliberations by November 1, 2007, submit an interim report by December 1, 2008, and submit a final report by December 1, 2009.

The bill takes effect October 1, 2007 and terminates December 31, 2009.

Fiscal Summary

State Effect: General fund expenditures for DHMH could increase by \$43,000 in FY 2008. Future years reflect annualization, inflation, and the task force terminating in FY 2010. No effect on revenues.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	43,000	49,800	28,300	0	0
Net Effect	(\$43,000)	(\$49,800)	(\$28,300)	\$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 could increase by an estimated \$42,967 in fiscal 2008, which accounts for the bill's October 1, 2007 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	\$35,169
Operating Expenses	7,798
Total FY 2008 State Expenditures	\$42,967

Future year expenditures reflect: (1) a full salary with 4.5% annual increases and 6.8% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) the task force terminating December 31, 2009.

The 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 107 of 2006, received an unfavorable report by the House Health and Government Operations Committee. It also had a hearing in the House Judiciary Committee but no further action was taken. Its cross file, SB 203, received an unfavorable report by the Senate Judicial Proceedings Committee. Another similar bill, 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): Workers' Compensation Commission, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2007
ncs/jr

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