

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

Senate Bill 730 (Senator Harris)
 Judicial Proceedings

Task Force on Administrative Compensation for Birth-Related Neurological Injury

This bill establishes a Task Force on Administrative Compensation for Birth-Related Neurological Injury. The task force, which must begin its deliberations by November 1, 2008, is charged with

- studying the programs established or proposed in other states;
- investigating the financial, policy, administrative, and legal issues critical to the design of such a program;
- examining the impact of such a program on the supply of physicians practicing obstetrics and on the availability of affordable obstetrical liability coverage for those physicians.

The task force, staffed by the Department of Health and Mental Hygiene in consultation with the State Workers' Compensation Commission and other appropriate State agencies, must submit an interim report of its finding to the Governor and the General Assembly by December 1, 2009, and a final report by December 1, 2010.

The bill terminates December 31, 2010.

Fiscal Summary

State Effect: DHMH general fund expenditures could increase by \$45,900 in FY 2009 to hire one contractual employee to staff the task force. Future years reflect annualization, inflation, and the task force terminating in FY 2011. No effect on revenues.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	45,900	56,500	28,700	0	0
Net Effect	(\$45,900)	(\$56,500)	(\$28,700)	\$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: Maryland law does not specifically address birth-related neurological injury compensation.

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 Fiscal Effect: General fund expenditures could increase by an estimated \$45,935 in fiscal 2009, which accounts for the bill's October 1, 2008 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 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	\$39,583
Operating Expenses	1,958
Start-up Costs	4,395
Total	\$45,936

Future year expenditures reflect • a full salary with 4.4% annual increases and 6.8% employee turnover; and • 2% annual increases in ongoing operating expenses. Although the task force terminates December 31, 2010, the estimate assumes the termination of the contractual employee with the submission of the final report on December 1, 2010.

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

Additional Information

Prior Introductions: An identical bill, HB 338 of 2007, was referred to the House Health and Government Operations Committee as well as the House Judiciary Committee but was later withdrawn. A similar bill, 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. 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 designated, although HB 1124 is identical.

Information Source(s): Workers' Compensation Commission, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2008
mll/ljm

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