Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **09-1830/1**	Introduction Number **SB-323**

Description
Requiring newborn hearing screening

Fiscal Effect

State:
☒ No State Fiscal Effect
☐ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☐ Increase Existing Revenues
- ☐ Decrease Existing Revenues
- ☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
- ☐ Decrease Costs

Local:
☒ No Local Government Costs
☐ Indeterminate
1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns ☐ Village ☐ Cities
☐ Counties ☐ Others
☐ School Districts ☐ WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**
☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DHS 3/15/2010

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Assumptions Used in Arriving at Fiscal Estimate

This estimate summarizes the fiscal impact for Senate Substitute Amendment 1 (as amended by Senate Amendment 1) to SB 323.

Under s. 253.13, attending doctors and nurses are required to ensure that every child born in a hospital or maternity home is subject to blood tests for congenital and metabolic disorders before being discharged. If a child is born elsewhere, the attending physician, nurse, or birth attendant is required to ensure that the child is subject to the blood tests within one week of birth. There are approximately 70,000 births in Wisconsin annually.

The Department is also required under s. 253.13 to contract with the State Laboratory or Hygiene (SLOH) to perform these tests. The Department specifies in rule the disorders for which the tests are performed. Currently, the provision applies only to congenital disorders which can be determined through blood sample testing.

Under s. 253.13, the Department is also required to provide necessary diagnostic services, special dietary treatment and follow-up counseling for children with congenital disorders and their families. DHS provides these services through its Congenital Disorders program. The program is funded from a surcharge added to the fees which SLOH charges for the performance of its tests. The total SLOH fee is $65.50; $30 of this fee is the DHS surcharge. The fee is usually paid by the patient's health insurance. There are no income eligibility criteria or age limits for services for this program.

Hearing loss is not determined through blood sample analysis and is not, under current law, included among the disorders for which SLOH performs its tests. Under current statutes, however, hospitals are required to make available a hearing screening program to all infants born in the hospital.

SSA 1 to SB 323 makes several changes to current statutes. The bill requires: (1) physicians and midwives attending births to arrange for the infant to have a hearing test before being discharged from the hospital or within 30 days if the infant was not born in the hospital; (2) the Department to provide referral to follow-up services; (3) that parents or legal guardians are advised of screening results; (4) that if the infant has an abnormal hearing screening test result, the parents or legal guardian are provided information on available resources for diagnosis and treatment of hearing loss; and (5) screening results, and risk factors for contracting a hearing loss, are sent to the SLOH. The bill also places newborn hearing screening within the existing congenital disorders fee structure.

An estimated 1,400 children annually do not receive screening tests. The majority of these babies are born out of hospitals. It is assumed that insurance would continue to pay for newborn hearing screening and diagnostic costs for the majority of newborns. It is assumed that health insurance or Medicaid will cover the cost of screening and diagnostic tests for the majority of additional children who will now be required to receive testing under this bill. The bill does not specify the source of payment for diagnostic tests for babies who are uninsured. There will not be significant additional costs to the Department for diagnostic hearing tests.

Approximately 1,100 children in Wisconsin fail audiology screening tests each year. Of these, approximately 830 do not receive appropriate follow-up referrals to intervention programs after their test. AB 488 requires the Department to provide these children with referral to intervention programs. In addition, of the approximately 1,400 children who do not currently receive hearing tests, an estimated two children will fail an initial hearing test and will also require referral services. Under the provisions of AB 488, an estimated 832 children who do not currently receive referral services to intervention programs will receive these referral services.

Federal funds currently support 1.0 FTE Audiologist and 1.0 FTE Follow-Up Coordinator, to provide follow-

up to hospitals, primary care providers, and audiologists for children who have failed the initial audiology test. Additional one-time federal funds are expected to increase follow-up staffing by 0.6 FTE for the period from September 2009 to March 2011.

Medicaid (MA) currently covers the costs of hearing devices and audiological testing. As a result, this bill is not expected to significantly increase MA costs.

Tracking costs. The Department will be responsible for tracking children in need of follow-up and providing follow-up referrals to intervention programs. Currently, limited tracking and surveillance of children in need of services for early hearing loss is provided by DHS through the Wisconsin Sound Beginnings (WSB) program and the Wisconsin Tracking, Referral, and Coordination (WE-TRAC) project. WE-TRAC is a voluntary web-based data collection and tracking system. All these programs are federally funded. Total funding is approximately $500,000 FED annually.

In summary, the Department is able to absorb any increased costs to DHS for additional responsibilities outlined in the bill

Long-Range Fiscal Implications

The Department currently receives federal funding to perform referral and tracking duties defined under the bill. If DHS is not able to secure federal funding in the future, the Department would have the ability to administer theses hearing screening program functions through a nominal fee increase through the congenital disorders program.

Hearing loss that is not detected at an early age and for which children do not receive appropriate services is likely to have a cost later in life in terms of increased health care services and possibly a need for special education. Providing these services when the child is very young can result in later avoided costs which are not possible to estimate.