STORAGE NAME: h0399s1a.grr
DATE: March 30, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GOVERNMENTAL RULES & REGULATIONS
ANALYSIS**

BILL #: CS/HB 399

RELATING TO: Newborn Hearing Screening

SPONSOR(S): Committee on Health Care Services, Representatives Prieguez, Wasserman-Schultz, and others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) HEALTH CARE SERVICES YEAS 14 NAYS 0
(2) GOVERNMENTAL RULES & REGULATIONS YEAS 6 NAYS 0
(3) HEALTH & HUMAN SERVICES APPROPRIATIONS
(4)
(5)

I. SUMMARY:

CS/HB 399 provides requirements and procedures for the universal screening of newborns for hearing impairment to the extent specifically funded. The bill applies to hospitals, birth centers, and health care providers attending home births and provides for universal newborn hearing screenings by certain providers and specifies time frames for the screenings. It provides for referral for ongoing care under certain conditions. The bill provides for the initial procedure screening and medically necessary follow up to be a covered benefit, under health insurance and managed care plans, as part of child health supervision services, and under Medicaid.

The bill takes effect July 1, 2000.

The bill has an estimated Medicaid cost for tests and professional component of $1,371,415 for FY 2000-2001 and an estimated cost for uninsured infants, including evaluations and early intervention services and other expenses of $516,550 for FY 2000-2001 (for nine months), and $929,980 for FY 2001-2002.

Two amendments are traveling with the bill.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

1. Less Government Yes [] No [x] N/A []
2. Lower Taxes Yes [] No [] N/A [x]
3. Individual Freedom Yes [] No [] N/A [x]
4. Personal Responsibility Yes [] No [] N/A [x]
5. Family Empowerment Yes [] No [] N/A [x]

For any principle that received a "no" above, please explain:

Less Government

This bill creates a statewide comprehensive and coordinated interdisciplinary program of universal hearing screening of newborns and infants. Although oversight and administration of the program is not specifically addressed in the bill, it appears that the Agency for Health Care Administration or the Department of Health would need to be delegated administrative and oversight authority.

B. PRESENT SITUATION:

Facts on Newborn Hearing Loss & Screening:

According to the American Speech-Language Hearing Association:

- Every day in the United States, approximately 33 babies (1 to 3 infants per 1,000) are born with significant hearing loss.
- Hearing loss is the most common congenital disorder in newborns; 20 times more prevalent than phenlyketonuria (PKU), a condition for which all newborns are currently screened.
- The average age that children with hearing loss are identified in the U.S. is 12 to 25 months of age. When hearing loss is detected late, critical time for stimulating the auditory pathways to hearing centers of the brain is lost. Speech and language development is delayed, affecting social and emotional growth and academic achievement.
- Less than 20 percent of the babies born in the U.S. are born in hospitals with universal newborn hearing screening programs.
- It is estimated that another 3 infants per 1,000 are born with moderate hearing loss (a total of 6 infants per 1,000, or over 60 babies born per day) could be identified with the wide use of universal newborn screening and intervention programs.

National Recommendations on Newborn Hearing Screening

- A majority of hospitals only test infants considered "at risk for hearing loss," who have conditions such as low birth weight, a family history of hearing problems, or other specific medical conditions. However, research indicates that testing only those babies considered "at risk" results in the identification of only 40-50 percent of children with hearing loss.

- The U.S. Public Health Service's Healthy People 2000 Initiative and 2010 health objectives recommend screening infants for hearing loss by 1 month of age, having diagnostic follow-up by 3 months, and enrolling infants in appropriate intervention services by 6 months of age.

- The Joint Committee on Infant Hearing recommends that all newborns be screened for hearing loss. They also recommend that all infants with hearing loss be identified before 3 months of age and receive intervention by 6 months of age.

- A National Institutes of Health (NIH) Consensus Panel in 1993 recommended hearing screening of all newborns. The consensus report concluded that the best opportunity for achieving this goal is provided by the development of hearing screening programs for newborns in hospital nurseries or in birthing centers, prior to discharge.

Methods and Costs for Newborn Hearing Screening

- Advances in technology contain current costs for hospital-based newborn hearing screening. Screening costs typically range between $25 and $40.

- Two types of electrophysiologic procedures are used to screen newborns singly or in combination ABR (auditory brainstem response testing) and OAE (otacoustic emissions testing).

  - Auditory brainstem responses (ABR) are measured by placing electrodes on the baby's head. Sound is then introduced to the baby's ears through tiny earphones while the child sleeps. The electrodes measure if the brain is detecting the sounds. This test is painless and takes only about 5 minutes.

  - Otacoustic emissions (OAE) are faint sounds produced by most normal inner ears. The sounds cannot be heard by people, but can be detected by very sensitive microphones that are placed in the ear canal. During testing, a tiny flexible plug is inserted into the baby's ear and sound is then projected into the ear through a plug. A microphone inside the plug records the otacoustic emissions that the normal ear produces in response to the incoming sound. The emissions are not detected in an infant who cannot hear. Testing is painless and can be done even while the baby sleeps.

The Benefits Of Early Detection

- Infants identified with hearing loss can be fit with amplification by an audiologist at as young as 4 weeks of age. With appropriate early intervention, language, cognitive, and social development for these infants is very likely to develop on par with hearing peers.

- Recent research concluded that children born with a hearing loss who are identified and given appropriate intervention before six months of age had significantly better language skills than those identified after six months of age. Studies have also

indicated that detection of hearing loss during infancy followed with appropriate intervention minimizes the need for rehabilitation during the school years.

National Debate on the Effectiveness on Newborn Hearing Screening:

While there appears to be a nationwide move toward universal hearing screening of newborns, some recent studies question the effectiveness of this approach.

In 1998, the American Academy of Pediatrics adopted universal newborn hearing screening as a standard of care. This means that it is accepted practice that all newborn infants should be screened for hearing problems as part of newborn infant care. However, according to a recent article published in the March 1999 issue of *Pediatrics*, the journal of the American Academy of Pediatrics, *universal newborn hearing screening is not necessarily the only, best, or most cost-effective way to achieve the goal of early identification of hearing loss due to the high rate of false-positive results at first-stage screenings.*

A study published in the August 1999 issue of *The American Journal of Otology* suggests that universal hearing screening is neither economical nor the best method to ensure that infants with hearing problems receive the appropriate care. The authors of this 10-year study suggested that *hospitals should focus their resources on newborns with known risks due to factors such as family history, low birth weight, and herpes infection.* They also urged that primary care physicians and other people who have contact with children receive additional training to detect the signs of deafness.

Florida's Infant Hearing Screening Efforts:

Since 1985, Florida has required that all newborns with any risk factors for hearing loss be screened. Such risk factors include a family history of hearing loss and low birth weight. In 1998, the Legislature approved, in the annual appropriations bill, universal newborn hearing screening pilot programs at the University of Florida (Shands HealthCare's Gainesville-area hospitals) and University of Miami (area hospitals). In FY 1999, with carry forward money from 1998, the Department of Health, Children's Medical Services (CMS) created a one-time seed grant program for universal newborn hearing screening. Under this program CMS identified unencumbered funds and made 12 grants available to 32 hospitals. CMS has not made a determination as to the availability of carry forward funds for the current fiscal year. According to CMS 12, nongrant hospitals routinely provide universal hearing screening for their newborns. According to the Florida Hospital Association, hospitals providing universal newborn hearing screening account for 57.4 percent of all births in the state.

Based on national statistics, 3 of every 1,000 newborns have a hearing impairment. With an approximate annual birthrate of 190,000 in Florida, 570 newborns could reasonably be expected to have a hearing impairment. According to the Children's Medical Services/Early Intervention Program data system, current programs identified 81 newborns with hearing impairments in 1999.

In FY 1999-2000, 48 Florida hospitals screened 58 percent of the babies born in Florida as part of the initiative sponsored by the Department of Health, Children's Medical Services.

The current Florida Medicaid reimbursement rate for the OAE (otacoustic evoked emission) procedure is $32.53. The current Florida Medicaid reimbursement rate for the ABR (auditory brainstem response) is $75.45.

Florida Statutory Law:

Section 409.815, F.S., provides Medicaid benefits for the Florida Kidcare program. Preventative health services for the eligible children include hearing screening.

Section 627.6416, F.S., requires that health insurance policies providing coverage on an expense-incurred basis for a member of a family of the insured or subscriber must also provide health insurance for child health supervision service for children from the moment of birth to age 16 years. The child health supervision services must include such services and periodic visits in accordance with the prevailing medical standards consistent with the Recommendations for Preventative Pediatric Health Care of the American Academy of Pediatrics.

Section 627.6579, F.S., requires that all group, blanket, or franchise health insurance policies providing coverage on an expense-incurred basis which provide coverage for a family member of the certificate holder or subscriber must, as to family coverage, also provide that the health insurance benefits applicable for children include coverage for child health supervision services from the moment of birth to age 16 years. Child health supervision services must be provided in accordance with the prevailing medical standards consistent with the Recommendations for Preventive Pediatric Health Care of the American Academy of Pediatrics.

Section 641.31, F.S., requires that all health maintenance contracts which provide coverage, benefits, or services for a member of the family of the subscriber must, as to such family member's coverage, benefits, or services, also provide that the benefits applicable for children include coverage for child health supervision services from the moment of birth to age 16 years. Child health supervision services must include periodic visits which shall include a history, a physical examination, a developmental assessment and anticipatory guidance, and appropriate immunizations and laboratory tests. Such services and periodic visits shall be provided in accordance with prevailing medical standards consistent with the Recommendations for Preventive Pediatric Health Care of the American Academy of Pediatrics.

Governor’s 2000-20001 Budget Recommendation - Children’s Medical Services - Universal Infant Hearing Screening:

This initiative is in concert with the Healthy People 2000 goal of reducing the average age at which children with significant hearing impairment are identified. This issue requests funding to implement universal newborn infant hearing screening programs in additional hospitals. Funding is requested to provide one-time seed money to hospitals that voluntarily agree to implement universal newborn hearing screening. Hospitals which agree to implement this program would be paid a lump sum payment to assist them with the purchase of equipment, disposable supplies, or other items needed as start-up for universal newborn hearing screening.

Hospitals with an annual live birth rate of 3,000 or less would receive $10.00 per baby. Hospitals with an annual live birth rate of more than 3,000 would receive $10.00 per baby for their first 3,000 live births and $5.00 per baby for each live birth of more than 3,000. Hospitals that have previously received Department of Health funding for the implementation of universal newborn hearing screening would not be eligible to receive this funding.

The $485,750 is requested to provide start-up funding to hospitals. This would target 32 hospitals with a combined total annual live birth rate of 50,425. If this funding is provided and these 32 hospitals accept the start-up funding to implement universal newborn hearing

screening, the capacity for universal hearing screening would increase to 81 percent of all live births in the state. An additional $14,250 is requested for a statewide conference on implementation of universal newborn hearing screening. The total request is for $500,000.

Governor's 2000-20001 Budget Recommendation - Medicaid:

This issue requests funding to provide hearing screening tests for all Medicaid eligible newborns. The amount of $1,371,415 is requested to provide the universal hearing screening for the Medicaid eligible newborns: $596,291 of this request is requested from General Revenue and $775,124 is requested from the Medical Care Trust Fund.

House 2000-2001 Community Issues Budget Requests:

Representative Prieguez has made legislative budget request #2627 for $1,331,194 to cover Medicaid recipients and state employees for universal newborn hearing screening.

Insurance Mandates:

Health insurance mandates only apply to the 31 percent of Floridians who have health coverage provided by private insurers which are regulated by the Florida Department of Insurance and to state entitlement programs as specified by law, such as Medicaid. Health insurance mandates do not apply. In a 1998 study of health insurance coverage and the uninsured, William S. Custer, Ph.D., with the Georgia State University, Center for Risk Management and Insurance Research, stated:

> Paradoxically, this report finds that key legislative and regulatory reforms aimed at improving access to heath care coverage have contributed to the number of uninsured Americans by increasing costs and making coverage less attractive.

According to Milliman Robertson, Inc. (1995 data - most recent available), Florida has the third highest indemnity rates in the nation and is 21st in the nation in highest HMO rates (1998 data).

In January 2000, the House Committee on Insurance published an interim report entitled, *Managing Mandated Health Benefits: Policy Options for Consideration.* According to the report:

> State laws frequently require private health insurance policies and health maintenance organization (HMO) contracts to include specific coverages for particular treatments, conditions, persons, or providers. These are referred to as "mandated [health] benefits."
>
> Recognizing that "most mandated benefits contribute to the increasing cost of health insurance premiums," while acknowledging the social and health benefits of many of these mandates, the Legislature in 1987 called for a "systematic review of current and proposed" mandated benefits. At that point, the Legislature had approved 16 mandated benefits. In the thirteen years since, the Legislature has approved an additional 35 mandated benefits. With 51 mandated health benefits, Florida has one of the nation's most extensive set of coverage requirements. The lone procedural requirement established for reviewing mandated benefits--that proponents submit an impact analysis for any proposed mandate benefit

prior to consideration--has been largely ignored. Staff could confirm only four instances since 1987 in which the required study was completed for a mandated benefit.

C. EFFECT OF PROPOSED CHANGES:

The bill establishes a statewide comprehensive and coordinated interdisciplinary program of universal hearing screening, identification, and follow-up care for newborns and infants to the extent funded. The bill mandates that licensed hospitals or other state-licensed birthing facilities that provide maternity and newborn care services must provide for universal hearing screening for all newborns, prior to discharge. The bill requires that the initial screening procedure and any medically necessary follow-up reevaluations leading to diagnosis must be a covered benefit, reimbursable under Medicaid, under all health insurance policies, and health maintenance organizations, as child health supervision services. The bill codifies in statute the federal requirement of ongoing special hearing services and referral to the Children's Medical Services Early Intervention Program and the Individuals With Disabilities Education Act. The bill requires that noninsured persons who cannot afford the testing must be given a list of newborn hearing screening providers who will provide the testing free of charge.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates a new, undesignated section of law relating to universal newborn hearing screening. Includes legislative intent that the act only be implemented to the extent that funds are specifically included in the General Appropriations Act for this purpose.

Subsection (1) provides legislative intent which addresses the scope and nature of the program, as well as the program goal. It includes legislative intent that the act only be implemented to the extent that funds are specifically included in the General Appropriations Act for this purpose.

Subsection (2) provides definitions for 8 relevant terms: agency (defined as the Agency for Health Care Administration), department (defined as the Department of Health), hearing impairment, infant, licensed health care provider, management, newborn, and screening (defined as a test or battery of tests administered to determine the need for an in-depth hearing diagnostic evaluation).

Subsection (3) provides the requirements for screening of newborns:

- Requires each licensed hospital or other state-licensed birthing facility that provides maternity and newborn care services to screen for the detection of hearing loss on all newborns. The screening must occur prior to discharge, to prevent the consequences of unidentified disorders.

- Requires each licensed birth center that provides maternity and newborn care services to, prior to discharge, refer all newborns to a licensed audiologist, a physician licensed under chapter 458 or 459, F.S., or to a hospital or other newborn hearing screening provider for screening for the detection of hearing loss. The referral for appointment must be made within 30 days after discharge. Requires that written documentation of the referral must be placed in the newborn's medical chart.

- Requires that, in the event the parents or legal guardians of the newborn object to the screening, the screening must not be completed. The physician, midwife, or other person who is attending the newborn must maintain a record that the screening has not been performed and attach a written objection to the screening which must be signed by the parent or guardian.

- Requires, for home births, that the health care provider in attendance is responsible for coordination and referral to a licensed audiologist, a physician licensed under chapter 458 or 459, F.S., hospital, or other newborn hearing screening provider. The referral for appointment must be made within 30 days after the birth. Whenever the home birth is not attended by a primary health care provider, a referral to a licensed audiologist, hospital, or other newborn hearing screening provider must be made by the health care provider within the first 3 months after the child's birth.

- Requires all newborn and infant hearing screenings to be conducted by a licensed audiologist, physician licensed under chapter 458 or 459, F.S., or appropriately supervised individual who has completed documented training specifically for newborn hearing screening. Requires every licensed hospital to obtain the services of a licensed audiologist, physician licensed under chapter 458 or 459, F.S., or other newborn hearing screening provider, through employment or contract or written memorandum of understanding to provide the following:

    - Appropriate staff training;
    - Screening program supervision;
    - Monitoring the scoring and interpretation of test results;
    - Rendering of appropriate recommendations; and
    - Coordination of appropriate follow-up services.

  Requires that appropriate documentation of the screening completion, results, interpretation, and recommendations must be placed in the medical records within 24 hours after completion of the screening procedure.

- Provides that the screening of a newborn's hearing should be completed before the newborn is discharged from the hospital. Provides that if screening is not completed prior to discharge due to scheduling or temporary staffing limitations, the screening must be completed within 30 days after discharge. Requires that screenings performed after discharge or due to initial screening failure must be completed by an audiologist licensed in the state, or by a hospital or other newborn hearing screening provider.

- Requires each hospital to formally designate a lead physician responsible for programmatic oversight for a newborn hearing screening. Requires each birth center to designate a licensed health care provider to provide programmatic oversight and to ensure that the appropriate referrals are being completed.

- Requires each screening to include auditory brainstem responses, or evoked otacoustic emissions, or appropriate technology as approved by the United States Food and Drug Administration.

- Requires that, by October 1, 2000, newborn hearing screening must be conducted on all newborns in hospitals in the state on birth admission. Requires that when a newborn is delivered in a facility other than a hospital, the parents must be

instructed on the importance of having the hearing screening performed and must be given information to assist them in having the screening performed within 3 months after the child's birth.

- Requires the initial procedure for screening the hearing of the newborn or infant and any other medically necessary follow-up reevaluations leading to diagnosis to be a covered benefit, reimbursable under Medicaid as an expense compensated supplemental to the per diem rate, under all health insurance policies and by health maintenance organizations, as provided under ss. 627.6416, 627.6579, and 641.31(30), F.S., as child health supervision services. Provides an exception to this requirement for supplemental policies that only provide coverage for specific diseases, hospital indemnity, or Medicare supplement, or to the supplemental policies. Specifies that non-hospital-based providers shall be eligible to bill Medicaid for the professional and technical component of each procedure code.

- Requires that any child who is diagnosed as having a permanent hearing impairment must be referred to the primary care physician for medical management, treatment, and follow-up services.

- In accordance with Pub. L. No. 105-17, The Infants and Toddlers Program and Individuals with Disabilities Education Act, any child from birth to 36 months of age who is diagnosed as having a hearing impairment that requires ongoing special hearing services must be referred to the Children's Medical Services Early Intervention Program serving the geographical area in which the child resides.

- Requires that any person who is not covered through insurance and cannot afford the costs for testing be given a list of newborn hearing screening providers who provide the necessary testing free of charge.

Section 2. Provides an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Agency For Health Care Administration

CS/HB 399 requires that all newborns in Florida receive a hearing screening prior to discharge from the hospital or be referred to a licensed audiologist or other newborn hearing screening provider for screening within 30 days of birth. The bill requires that hearing screenings, including medically necessary reevaluations for diagnosis, be required reimbursable benefits under Medicaid. The Agency for Health Care Administration provided the following fiscal information based on the bill's requirements:

Total deliveries in Florida in calendar year 1997	180,966

Source: Lawton & Rhea Chiles Center for Healthy Mothers and Babies; data is for calendar year 1997.

Medicaid deliveries in Florida calendar year 1997 81,264
Source: Lawton & Rhea Chiles Center for Healthy Mothers and Babies; data is for calendar year 1997.

Medicaid percent of total 44.91%

7% of newborns discharged prior to screening or: 5,688

Jackson Memorial Hospital & Broward Hospital contract out their deliveries and these represent 17% of Medicaid deliveries, or: 13,815

Approx. 0.45% of Medicaid deliveries are through birth centers and midwives or: 365

Costs for OAE test (1999) @ max. Medicaid fee: $32.53
Costs for ABR test (1999) @ max. Medicaid fee: $75.46
(Professional Component built in)

	# of tests	unit cost	Total
Number of OAE tests = 5,688+13,815+365 =	19,868	$32.53	$646,306
11% of above require an ABR or:	2,185	$75.46	$164,916
5% of the 11% above require a 2nd ABR or:	109	$75.46	$8,246

Estimated Medicaid costs for screening in above settings: **$819,468**

Estimated Medicaid Costs for Hearing Screening -- Professional Component

Hospital per diem rates would not include the professional component.
Remaining deliveries (per diem) = (81,264 - 19,868) or: 61,396

Billing for Professional Component (PC) of the codes by audiologists and specialty physicians:

PC for OAE: $4.81
PC for ABR: $36.19

	# of tests	unit cost	Total
Number of OAE tests =	61,396	$4.81	$295,315
11% of above require an ABR or :	6,754	$36.19	$244,411
5% of the 11% above require a 2nd ABR or:	338	$36.19	$12,221

Total **$551,947**

Estimated Medicaid Total Hearing Screening Costs -- (other than hospital per diem)

Estimated FFS Total ($819,468 + $551,947) = State/Fed share **$1,371,415**

General Revenue (State)	43.48%	$596,291
Medical Care TF (Federal)	56.52%	$775,124

A Governor's Legislative Budget Request for Medicaid contains this amount of funding.

Newborns Not Covered by Health Insurance or Medicaid

Charity Care Total - from 1998 Hospital Discharge Data 3,612

Costs for OAE test (1999) @ max. Medicaid fee rate: $32.53
Costs for ABR test (1999) @ max. Medicaid fee rate: $75.46
(Professional Component built in)

	# of tests	unit cost	Total
Number of OAE tests =	3,612	$32.53	$117,498
11% of above require an ABR or:	397	$75.46	$29,982
5% of the 11% above require a 2nd ABR or:	20	$75.46	$1,499
Estimated costs for screening above newborns:			**$148,979**

Estimated Costs for Hearing Screening - Professional Component

Billing for Professional Component (PC) of the codes by audiologists and specialty physicians:

PC for OAE: $ 4.81
PC for ABR: $36.19

	# of tests	unit cost	Total
Initial screening (OAE) tests =	3,612	$4.81	$17,374
11% of above require an ABR or:	397	$36.19	$14,379
5% of the 11% above require a 2nd ABR or:	20	$36.19	$ 719
Total			**$32,472**

Annual Estimated Medicaid Costs for Tests and Professional Component **$181,451**

Department Of Health

Recurring or Annualized Effects:	**Year 1**	**Year 2**
Expenses	25% Lapse (9 months)	
Post-hospital screens for uninsured infants	$181,950	$242,580

Costs were based on the estimate that approximately 5% of live births in Florida would require follow-up screening post-hospital discharge to confirm or rule out hearing impairment and will not have insurance or Medicaid for payment. This is based on preliminary data from the University of Florida/University of Miami universal infant hearing screening project. Allowable charge for hearing screening for the CMS Infants and Toddlers Early Intervention Program is $30 per screen. As a result of start-up, only

75% of infants will be identified in year 1 of implementation (6,065 screens done; 147 infants served through EIP).

Follow-up evaluations and early intervention services for hearing impaired children through the CMS Infants and Toddlers Early Intervention Program	$264,600	$617,400

Costs were based on the estimate that an additional 196 infants per year will be identified as hearing impaired and will require follow-up evaluations and early intervention services at an average annual cost of $1,800 per child. As a result of start-up, only 75% of the children will be identified in year one. All 147 infants identified in year one will continue to need services for 3 years so will be added to the 196 newly identified infants in year two for a total of 343 infants. Year two services = 8,086 infants screened; 343 infants served through EIP.

Software for program coordination and data management of children referred into Children's Medical Services for follow-up services	$50,000	$50,000

If it is determined that the Department of Health, Children's Medical Service will assume responsibility for statewide administration of this program, the costs associated with this additional responsibility would increase significantly over the $50,000 for program coordination and data management.

Cost of Cochlear Implants for 1 percent estimated identified population	$20,000	$20,000

Costs were based on the estimate that of the 196 infants per year identified as hearing impaired and requiring follow-up evaluations, 1.7% of the 0-3 population will suffer significant hearing impairment thus making them candidates for cochlear implantation. The FDA forbids implantation in the toddlers under the age of 18 months. This further decreases the potentially eligible population for this procedure. For the purposes of this analysis, we estimate the prevalence rate at 1% of our population. Analysis of year two population (343 infants) in need of services is also estimated at 1% as greater than 50% of infants identified will not be candidates until the age of 18 months.

Subtotal Expense	$516,550	$929,980
Total Recurring Costs	$516,550	$929,980

A Governor's Legislative Budget Request for the Department of Health contains an amount of $500,000 for this activity.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

   None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

CS/HB 399 requires all newborns in Florida to receive a hearing screening prior to discharge from the hospital, or be referred to a licensed audiologist or other newborn hearing provider for screening within 30 days of birth. The bill requires hearing screenings, including medically necessary reevaluations for diagnosis to be a required reimbursable benefit covered by all health indemnity plans and HMOs.

D. FISCAL COMMENTS:

The Department of Insurance provided the following statement:

> The Department cannot estimate the potential impact of additional expense arising from the "medically necessary follow up reevaluation" services required under this legislation.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill noes not reduce the percentage of a state tax shared with counties or municipalities.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the authority that counties or municipalities have to raise revenues.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

Comments by the Committee on Health Care Services

The bill, on page 2, lines 14-16, defines "screening" as a test or battery of tests administered to determine the need for an in-depth hearing diagnostic evaluation. As the term screening is subsequently used in the bill, the assumption is that the only screening to be performed is the more in-depth diagnostic tests (see page 4, lines 22-26).

The Florida Hospital Association, the Association of Community Hospitals and Health Systems, and the Florida League of Health Systems did not support the bill as currently proposed. The following quote was provided in a joint letter addressed to Representative Prieguez, dated January 5, 2000:

> While we support the concept of screening newborns for hearing loss, we cannot support the bill as currently proposed...Hospitals cannot face another mandate during this time of budget turmoil...There are already 48 hospitals screening 57.4% of all births in Florida. Many of these babies are screened because hospitals applied for a grant from Children's Medical Services. Rather than mandating the screening of all newborns, we recommend you request additional funding for the CMS hearing screening grant. It is evident by the CMS initiative that if funding is available, hospitals will voluntarily perform the service.

The Department of Insurance notes that, as with other mandates, this new law would affect only insured plans regulated by the Department of Insurance and would not apply to the state employee plan, local government plans or ERISA self-insured plans.

Comments by the Committee on Governmental Rules & Regulations

On page 4, line 24, of the bill, the word "otocoustic" is a misspelling of "otacoustic." According to Taber's Encyclopedic Medical Dictionary, 18th Edition, the proper spelling is "otacoustic." The Committee on Governmental Rules & Regulations recommends that this spelling be corrected.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 16, 2000, the Committee on Health Care Services approved two amendments: a "strike-everything" amendment and a technical amendment. The effect of these amendments was to:

- Add legislative intent that the act only be implemented to the extent specifically funded;
- Include physicians in the list of health care providers as being eligible to perform hearing screenings and subsequent treatment;
- Delete a requirement for parental education on the importance of hearing screenings; and
- Clarify insurer, HMO, and Medicaid reimbursement issues.

On March 30, 2000, the Committee on Governmental Rules & Regulations adopted the following two amendments and reported the bill favorably, as amended:

Amendment 1 - Corrects the spelling of “otacoustic” in the bill.

Amendment 2 - Clarifies how hospitals and doctors will be paid by Medicaid, through various providers, for providing hearing screening evaluations.

VII. SIGNATURES:

COMMITTEE ON HEALTH CARE SERVICES:

Prepared by:	Staff Director:
Tonya Sue Chavis, Esq.	Phil E. Williams

AS REVISED BY THE COMMITTEE ON GOVERNMENTAL RULES & REGULATIONS:

Prepared by:	Staff Director:
Shari Z. Whittier	David M. Greenbaum