

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

SENATE, No. 3375

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: JUNE 13, 2019

SUMMARY

- Synopsis:** Establishes maternal health care pilot program to evaluate shared decision-making tool developed by DOH and used by hospitals providing maternity services, and by birthing centers.
- Type of Impact:** Five Year State Expenditure Increase; General Fund.
Three Year Potential Expenditure Increase; University Hospital.
- Agencies Affected:** Department of Health; New Jersey Maternal Care Quality Collaborative; University Hospital.

Office of Legislative Services Estimate

Fiscal Impact	<u>Five-Year Period</u>
State Expenditure Increase	Indeterminate
University Hospital – Potential Expenditure Increase	Indeterminate; limited to year two through year four

- The Office of Legislative Services (OLS) concludes that this bill may result in an indeterminate increase in State expenditures to the Department of Health (DOH) and the New Jersey Maternal Care Quality Collaborative (NJMCQC), an entity established within the DOH, over a five-year period due to the costs of: 1) the development of a shared decision-making tool for improving maternity health care; and 2) the design of an evaluation process to assess the effectiveness of the tool. The DOH may also experience recurring costs for the administration of a pilot program, limited to a three-year period, in which the tool will be utilized and evaluated, using a process designed by the NJMCQC, by select hospitals and birthing centers. However, it is possible that the department can perform these additional tasks with current staff using existing resources.
- University Hospital will potentially undertake additional expenditures, limited to a three-year period, related to administering the shared decision-making tool and implementing the evaluation process, only to the extent that it voluntarily applies to be part of the State pilot program and is ultimately selected to be a program participant by Commissioner of Health.

BILL DESCRIPTION

This bill requires the Commissioner of Health, in consultation with the NJMCQC, to develop a shared decision-making tool for use, on a voluntary basis, by maternity care hospitals and licensed birthing centers. Pursuant to section 3 of P.L.2019, c.75 (C.26:6C-3), the NJMCQC is established in the DOH and is required to work with the Governor's office to coordinate all efforts and strategies to reduce maternal mortality, morbidity, and racial and ethnic disparities in the State.

The purpose of the shared decision-making tool would be to: improve knowledge of the benefits and risks of, and best practice standards for, the provision of maternity care; increase collaboration between a maternity care patient and the patient's health care provider; improve patient experiences; encourage a maternity care patient to create a birth plan; and promote health literacy, encourage self-efficacy, empower women to voice their concerns and become active participants in their care, and foster healthy perinatal physiologic processes.

The shared decision-making tool may consist of patient decision aids including, but not limited to: evidence-based educational materials, consistent with national recommendations, in a form and manner as prescribed by the commissioner in consultation with the NJMCQC; educational fact sheets or digital resources; and brochures and other multimedia tools that inform and educate maternity care patients.

The bill directs the commissioner, in consultation with the NJMCQC, to implement a three-year pilot program to evaluate the shared decision-making tool, which includes the development of a standardized, comprehensive evaluation tool by the NJCQC to be used by each hospital and birthing center participating in the pilot program. The commissioner is directed to develop a process for hospitals and birthing centers to apply for or request to participate in the pilot program. The commissioner will determine the total number of facilities to be included, with at least one hospital or birthing facility from the northern, central, and southern regions of the State being selected.

Finally, the bill requires the DOH, in consultation with the NJMCQC, to prepare and submit a report, within one year after the expiration of pilot program, to the commissioner, the Governor, and the Legislature on the effectiveness of the shared-decision making tool. The effective date of bill is 360 days following the date of enactment, and will expire upon the final submission of the report by the DOH.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill may result in an indeterminate increase in State expenditures to the DOH and the NJMCQC, an entity established within the DOH, over a five-year period due to the costs of: 1) the development of a shared decision-making tool for improving maternity health care; and 2) the design of an evaluation process to assess the effectiveness of the tool. The DOH may also experience recurring costs for the administration of a pilot program, limited to a three-year period, in which the tool will be utilized and evaluated,

using a process designed by the NJMCQC, by select hospitals and birthing centers. However, it is possible that the department can perform these additional tasks with current staff using existing resources.

This five-year fiscal estimate assumes that the department, in consultation with the NJMCQC, will need no more than a year to develop the shared decision-making tool prior to the implementation of the three-year pilot program, and a full-year to prepare and submit a report on the effectiveness of the tool following the implementation of the three-year pilot program.

Under the bill, hospitals and birthing centers are not compelled to participate in the three-year pilot program. However, facilities that volunteer and are selected to participate in the pilot program will be responsible for administering the shared decision-making tool and using the evaluation process, as developed pursuant to the bill. Therefore, the OLS notes that the University Hospital, an independent non-profit legal entity that is an instrumentality of the State located in Newark, may experience an increase in expenditures to fulfill these responsibilities if it participates in the pilot program. The OLS cannot predict, however, if the hospital will volunteer for the program or be selected for it by the commissioner.

Section: Human Services

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).