

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 1073

**STATE OF NEW JERSEY
219th LEGISLATURE**

DATED: OCTOBER 22, 2021

SUMMARY

- Synopsis:** Establishes requirements to screen certain people who are pregnant and who have given birth for preeclampsia.
- Type of Impact:** Annual State expenditure and revenue increases.
- Agencies Affected:** Department of Human Services, Division of Medical Assistance and Health Services; Department of Health; University Hospital

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill would increase annual State costs by an indeterminate amount for the New Jersey FamilyCare program to cover preeclampsia screening of pregnant and postpartum persons who show symptoms of the condition by New Jersey hospitals, licensed birthing centers, federally-qualified health centers, and physicians or health care practitioners who provide care to pregnant and postpartum persons. The NJ FamilyCare program costs also would increase by a marginal amount in order for health care providers in all practice settings to provide the preeclampsia educational materials to pregnant and postpartum patients, discuss the benefits of preeclampsia screening with these patients, and obtain the patient's signature acknowledging receipt of these educational materials.
- Moreover, University Hospital, an independent non-profit legal entity that is an instrumentality of the State, would incur an indeterminate increase in costs to comply with the requirements established under this bill.
- By implementing the requirements established under this bill, the State would ultimately realize savings resulting from earlier diagnoses of preeclampsia in pregnant and postpartum persons, thereby avoiding significant costs for treating infants born prematurely due to their

gestational parent's undiagnosed preeclampsia, and treatment costs for the serious medical complications associated with undiagnosed preeclampsia in obstetric patients.

BILL DESCRIPTION

This bill mandates the Department of Health (DOH) to require every hospital in the State, every birthing center licensed in the State pursuant to State law, every federally qualified health center, and every physician or health care practitioner in the State providing care to a pregnant or postpartum person to screen for preeclampsia, if the person shows symptoms of the condition. The screening tools are to be based on industry best practices and guidance, as determined by the American College of Obstetricians and Gynecologists, the Preeclampsia Foundation, or other nationally recognized body, as determined by the DOH

A hospital that provides inpatient maternity services, a licensed birthing center, or a federally qualified health center providing care to, or a physician or other health care practitioner who is the primary caregiver for, a pregnant person or a person who seeks treatment within six weeks of giving birth, would, in accordance with guidelines developed by the DOH: provide the person with information regarding preeclampsia and potential warning signs and symptoms of the condition; educate the person on the benefits of being screened for preeclampsia if the person shows symptoms of the condition; inform the person that the person is required to be screened for preeclampsia unless the person, on a form and in a manner prescribed by the DOH, refuses to be screened for the condition; and, encourage the person to routinely engage in home blood pressure monitoring.

The bill additionally requires that the person, on a form and in a manner prescribed by the DOH, acknowledge receipt of the preeclampsia screening information, as provided by the hospital, birthing center, physician, or health care practitioner. Pursuant to the bill, the DOH is required to develop a standardized form to be used to acknowledge receipt of the preeclampsia screening information. This form may also be utilized by a patient to provide written refusal to undergo preeclampsia screening, as required under the bill.

Upon receipt of the results of any screening conducted pursuant to the bill, a hospital that provides inpatient maternity services, licensed birthing center, federally qualified health center, or physician or health care practitioner is required to discuss the results with a pregnant or postpartum person and, if the person screens positive for preeclampsia, develop a treatment plan to minimize the person's risk from preeclampsia.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill would increase annual State costs by an indeterminate amount for the New Jersey FamilyCare program to cover preeclampsia screening of pregnant and postpartum persons who show symptoms of the condition by New Jersey hospitals, licensed birthing centers, federally-qualified health centers, and physicians or health care practitioners who

provide care to pregnant and postpartum persons. Currently, approximately 95 percent of NJ FamilyCare beneficiaries are enrolled with a Medicaid managed care organization (MCO), under contract with the Division of Medical Assistance and Health Services (DMAHS) in the Department of Human Services. Pursuant to the Medicaid MCO contract, the DMAHS makes a prepaid monthly capitation payment to the Medicaid MCOs for each NJ FamilyCare enrollee, in exchange for the provision of a package of covered health benefits. The OLS assumes that the Medicaid MCOs will pass the higher costs for the provision of preeclampsia screening, educational materials, and counseling for all pregnant and postpartum NJ FamilyCare enrollees to the State in the form of higher capitation rates in the calendar year following the bill's enactment. However, increased State expenditures for NJ FamilyCare capitation payments will be eligible for additional federal Medicaid matching funds, thereby increasing State revenues, albeit by an indeterminate amount.

By way of context, New Jersey has 71 State-licensed hospitals and 23 federally qualified health centers that would be affected by the requirements established under this bill. Data from the United States National Center for Health Statistics show that there were 99,549 births to New Jersey residents in 2019. Of this total number, approximately 40 percent, or 39,819 births in 2019, were covered by the Medicaid program. According to the Preeclampsia Foundation, preeclampsia and other related hypertensive disorders of pregnancy affect between five and eight percent of all births in the United States; moreover, the foundation reports that the rate of preeclampsia in the United States has risen by 25 percent over the past 20 years.

The DOH also would incur marginal costs to develop and disseminate the standardized form used by pregnant and postpartum persons to acknowledge receipt of preeclampsia screening information and refuse preeclampsia screening pursuant to the bill. Moreover, University Hospital, an independent non-profit legal entity that is an instrumentality of the State, would incur an indeterminate increase in costs to comply with the requirements established under this bill.

Although the preeclampsia screening requirements established pursuant to the bill would increase NJ FamilyCare costs initially, the State would ultimately realize savings from earlier diagnoses of preeclampsia in pregnant and postpartum persons, thereby avoiding significant costs related to treating infants born prematurely due to their gestational parents' undiagnosed preeclampsia, and treatment costs for persons suffering from serious medical complications associated with undiagnosed preeclampsia.

Section: Human Services

*Analyst: Anne Cappabianca
Associate Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).