



Ohio Legislative Service Commission

Wendy Risner

Fiscal Note & Local Impact Statement

Bill: H.B. 60 of the 130th G.A.

Date: February 19, 2013

Status: As Introduced

Sponsor: Rep. Huffman

Local Impact Statement Procedure Required: No

Contents: To make changes regarding the rules governing maternity units, newborn care nurseries, and maternity homes and to specify procedures for granting variances or waivers

State Fiscal Highlights

- **Ohio Department of Job and Family Services (ODJFS).** There could be savings for the Medicaid Program for any pregnant women, mothers of a newborn, or newborns that are enrolled in Medicaid and who are not transferred to another facility for care as a result of the bill.

Local Fiscal Highlights

- **Public Hospitals.** As a result of the bill, it is possible that some transfers of pregnant women, mothers of a newborn, or newborns may no longer occur. As a result, some public hospital maternity units might receive revenues for treating patients that would, under current procedures, be transferred to another hospital. Conversely, those public hospital maternity units that typically receive transferred patients might lose revenues. The Ohio Hospital Association (OHA) has stated that a hospital might not receive full reimbursement for transfer expenses, so it is possible that some hospitals might realize a savings as a result of a patient not being transferred.

Detailed Fiscal Analysis

Transfers of maternity and newborn patients

The bill requires that any rules adopted by the Ohio Department of Health (ODH) that pertain to the transfer of a pregnant woman, the mother of a newborn child, or the newborn child to a different facility because of circumstances related to the health condition of the pregnant woman, mother, or newborn child, including a health condition resulting from having or the potential for having a newborn child with a low birth weight or low gestational age, include provisions that do both of the following:

1. Permit an attending physician, acting in good faith, to make the decision that the physician considers best with respect to the transfer;
2. Grant a person who has authority to consent to the transfer, including the pregnant woman, the mother, or the guardian of the pregnant woman, mother, or newborn child, the right to refuse the transfer once information has been provided to the person regarding the risks and benefits of the transfer.

As a result of the bill, it is possible that some transfers of pregnant women, mothers of a newborn, or newborns may no longer occur. If this occurs, then there could be savings for the Medicaid Program for any individuals that are enrolled in Medicaid and are not transferred as a result of this requirement. Additionally, it is possible that some public hospital maternity units might receive revenues for patients that would, under current procedures, be transferred to another hospital for care. Conversely, those public hospital maternity units that typically receive transferred patients might lose revenues since the patients may no longer be transferred to their facility to receive care. However, the Ohio Hospital Association (OHA) has stated that a hospital might not receive full reimbursement for transfer expenses, so it is possible that some hospitals might realize a savings as a result of a patient not being transferred. OHA does not have an estimate regarding the number of patients transferred from a lower level to a higher level hospital for care.

ODH anticipates no fiscal impact as a result of the bill.

Granting variances or waivers

The bill codifies an administrative rule that authorizes the Director of ODH to grant a variance from or waiver of any of the requirements established in rules regarding the operation of a maternity unit, newborn care nursery, or maternity home. Under the bill, a variance may be granted to an applicant ODH determines that the intent of a requirement has been met by the applicant in an alternate manner. A waiver may be granted if ODH determines that strict application of a requirement would cause an undue hardship to the applicant and that granting the waiver would not jeopardize the health and safety of any patient or resident. The bill requires ODH to adopt rules

regarding application forms to be used and procedures to be followed in applying for a variance or waiver. ODH is to review all applications received. Not later than 90 days after receiving an application ODH must determine whether to grant the variance or waiver and must notify the applicant in writing of the Director's decision. The Director's decision is not subject to appeal under the Administrative Procedure Act.

Waiver and variances are currently granted under administrative rule, so there will be no fiscal impact to ODH or to local entities, such as maternity units in public hospitals.

HB0060IN / lb