

Department of Legislative Services
 Maryland General Assembly
 2008 Session

FISCAL AND POLICY NOTE

Senate Bill 127 (Senator Gladden)
 Finance

Hospitals and Nursing Facilities - Staphylococcus Infections - Reporting

This bill requires a death certificate to include information about whether the deceased was being treated for a staphylococcus infection at the time of death. The Department of Health and Mental Hygiene, in consultation with stakeholders, has to develop a system under which

- hospitals and nursing facilities must report annually on incidents of methicillin-resistant staphylococcus aureus and vancomycin-resistant enterococcus; and
- DHMH must submit an annual report on the incidence of MRSA and VRE in hospitals and nursing facilities.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: DHMH general fund expenditures could increase by \$328,300 in FY 2009. This figure includes one-time only expenses to alter the State’s current death certificates and ongoing expenses to collect, analyze, and report data as required under the bill. Future year estimates reflect annualization and inflation. No effect on revenues.

(in dollars)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	328,300	395,800	415,500	436,100	457,900
Net Effect	(\$328,300)	(\$395,800)	(\$415,500)	(\$436,100)	(\$457,900)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Potential meaningful. Small business nursing facilities could incur additional expenses due to mandatory testing and reporting.

Analysis

Bill Summary: Uncodified language in the bill requires DHMH, by December 1, 2008, to report to specified standing committees on legislative recommendations to develop the reporting system.

Current Law: The Patients' Safety Act of 2001 (Chapter 318 of 2001) required the Maryland Health Care Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing the incidence of preventable adverse medical events in the State, including a reporting system. There is no requirement to report the types of antibiotic-resistant strains of bacteria required by the bill.

Background: Staphylococcus aureus is a leading cause of bloodstream and other invasive infections. MRSA is bacteria that are resistant to certain antibiotics. Staph infections, including MRSA, occur most frequently among people in hospitals and health care facilities (such as nursing homes and dialysis centers) who have weakened immune systems. Invasive MRSA infections occur in approximately 94,000 persons nationally each year and are associated with approximately 19,000 deaths. Of these infections, about 86% are health care associated and 14% are community associated.

VRE infections most often occur in hospitals. Enterococci are bacteria normally present in the human intestines and female genital tract and are often found in the environment, but can cause infections. Vancomycin is an antibiotic often used to treat enterococci infections; however, enterococci are becoming increasingly drug resistant. VRE was not reported in U.S. hospitals until 1989. Data reported to the Centers for Disease Control and Prevention in 2004 showed that VRE caused about one of every three infections in hospital intensive care units.

South Carolina requires public reporting of hospital-acquired infections, including MRSA bloodstream infections collected more than 48 hours after hospital admission.

State Expenditures: Approximately 238 nursing homes and 68 hospitals would be required to report to DHMH under the bill. DHMH general fund expenditures could increase by \$328,339 in fiscal 2009, which accounts for a 90-day start-up delay. This estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

The Vital Statistics Administration could incur \$6,000 in costs for fiscal 2009 only, including \$1,000 to change the template for the printing of death certificates to collect information on whether the deceased was being treated for a staphylococcus infection at the time of death and \$5,000 to print additional death certificates.

The Community and Family Health Administration would incur the remainder of expenses for one grade 20 computer network specialist, one grade 19 nurse administrator, one grade 18 data base specialist, two grade 17 epidemiologists, and one grade 8 office secretary to collect, enter, maintain, and analyze the reported data and compile it for required reports. CFHA would need to purchase and pay an annual maintenance fee for software to collect data from hospitals and nursing facilities.

Positions	6
Salaries and Fringe Benefits	\$288,289
Operating Expenses	26,550
Software Expenses	7,500
Death Certificate Expenses	<u>6,000</u>
Total FY 2009 State Expenditures	\$328,339

Future year expenditures reflect • annualization; • full salaries with 4.4% annual increases and 3% employee turnover; • 2% annual increases in ongoing operating expenses; and • ongoing contractual expenses for software maintenance.

Additional Information

Prior Introductions: Bills requiring development of a reporting system were introduced in the 2006 and 2007 sessions. SB 535 of 2006 and SB 837 of 2007 received an unfavorable report from the Senate Finance Committee. Likewise, HB 966 of 2006 received an unfavorable report from the House Health and Government Operations Committee.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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