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BILL



ANALYSIS

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House Bill 5117 (Substitute H-1 as reported without amendment)
House Bill 5119 (Substitute H-2 as reported without amendment)
Sponsor: Representative Stephen Ehardt
House Committee: Health Policy
Senate Committee: Families and Children Services

Date Completed: 3-22-04

RATIONALE

In the 1970s, in response to a growing body of evidence that lead was linked to serious health and developmental problems, the Federal government began requiring the removal of lead additives from paint, gasoline, and other household products. In 1978, lead-based paint was banned. Although the number of children with lead poisoning has dropped from a high of 15 million nationwide in 1979 to under 500,000 today (*The Detroit News*, 8-23-03), lead poisoning remains a significant public health risk, particularly for children in low-income, urban families who live in older homes.

According to a July 2003 State of Michigan report entitled *Childhood Lead Poisoning Prevention: A Call to Action*, lead poisoning affects an estimated 20,000 children under age six in Michigan. It has been suggested that this public health problem should be addressed through a comprehensive approach, including increased screening of children and electronic reporting of blood lead test results to the Department of Community Health (DCH).

CONTENT

House Bill 5117 (H-1) would amend the Public Health Code to require clinical laboratories that perform lead screening tests to report the results to the DCH electronically.

House Bill 5119 (H-2) would amend the Social Welfare Act to require the DCH to ensure that, as a condition of participation and funding, all health professionals, health facilities, and health maintenance organizations

(HMOs) that receive Medicaid payments were in substantial compliance with Federal standards for lead screening for Medicaid-enrolled children; and allow the DCH to contract with community agencies to provide lead screening tests if the screening rate were less than 80%.

The bills are described below in further detail.

House Bill 5117 (H-1)

The bill would require a clinical laboratory that analyzed a blood sample for lead to report the results to the DCH in a DCH-prescribed electronic format within five days after the analysis was completed. Within 90 days after the bill's effective date, the DCH would have to mail notice of the bill's reporting requirements to each clinical laboratory doing business in Michigan. The reporting requirements would apply beginning October 1, 2005.

House Bill 5119 (H-2)

The bill would require the DCH, beginning October 1, 2007, to ensure that, as a condition of participation and funding, all health professionals, health facilities, and HMOs that receive Medicaid payments were in substantial compliance with Federal standards for lead screening for children enrolled in Medicaid.

The bill would require the DCH to determine the Statewide average of lead screening tests being performed on Medicaid-enrolled children on October 1, 2007, and determine

whether the rate was substantially in compliance with Federal standards. If the rate were below 80%, the DCH Director would have to present to the Senate and House Health Policy Committees a written report detailing why the rate was not in substantial compliance with Federally required standards for lead screening, and the DCH recommendations for improving the rate.

If the Statewide lead screening testing rate were not at least 80% for Medicaid-enrolled children by October 1, 2007, the DCH could use funds appropriated for Medicaid managed care or Medicaid fee for services to contract with community agencies to provide the tests needed to reach the 80% rate. A contracting organization that met or surpassed contract performance requirements would be entitled to share in financial bonuses awarded under the performance bonus program and receive at least 10% of the beneficiaries who did not voluntarily select a specific health plan at the time of managed care enrollment, in addition to any other auto assignments to which the organization was entitled.

Proposed MCL 333.20531 (H.B. 5117)
Proposed MCL 400.111k (H.B. 5119)

BACKGROUND

Lead is a toxin that builds up in the body as it is ingested, and collects in bone tissue and blood. Although lead-based paint itself is not dangerous, it can crack and peel in deteriorating buildings. Small children and pets can ingest the paint chips or dust. Industrial pollution can contribute to the problem when lead in the emissions from factories and incinerators gets into the air and soil surrounding homes where children play. The dust can saturate carpets and build up in ventilation ducts. Drinking water in older structures also can be contaminated by lead, which is often present in the pipes and solder used in the plumbing. A lead-based paint hazard is abated either by removal, which makes the building lead-free, or, more commonly, by encapsulation, which makes it lead-safe. Encapsulation entails activities short of removal, such as painting over lead-based paint with lead-free paint. The procedure, however, does not necessarily mean that the new paint will not

deteriorate, exposing the lead-based paint in the future.

While people of any age can be adversely affected by lead poisoning, young children are particularly susceptible to it because their brains are still developing. Prolonged exposure to lead can interfere with the development of the central nervous system and has been linked to brain damage, mental retardation, developmental delays, learning difficulties, anemia, liver and kidney damage, hearing loss, seizures, hyperactivity, attention deficit disorder, and, in extreme cases, coma and death. Recent studies also have suggested a link between lead poisoning and juvenile delinquency and violent behavior. Lead poisoning can be treated through a potentially painful and expensive process called "chelation therapy", in which the lead is cleared from the blood and excreted in urine.

In Michigan, the highest incidence of lead poisoning is in the Counties of Wayne, Kent, Muskegon, Berrien, Calhoun, Kalamazoo, Genesee, Ingham, Saginaw, and Oakland. Childhood lead poisoning is of particular concern in the Cities of Detroit, where 63% of the homes were constructed before 1950, and Grand Rapids, which has the highest concentration of lead poisoning in the State. Based on data from 1998 blood screenings, in some Detroit zip codes, children had blood lead levels up to 10 times the national average (*The Detroit News*, 5-17-01).

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Despite efforts to eliminate lead from paint, gasoline, and other common substances, lead poisoning remains a major hazard for children, particularly those in urban areas. Although symptoms of lead poisoning can include eating disorders, lethargy, headaches, and changes in behavior and sleeping patterns, most lead-poisoned children have no symptoms at all. Parents might not recognize a problem until irreversible damage to a child's physical health or cognitive abilities has occurred. Unfortunately, by the time a child is hospitalized for lead poisoning, irreversible

brain damage probably has occurred already. For these reasons, it is vital that the State focus attention and resources on public education and prevention.

levels, it could lead to an increase in medical and remediation costs.

Fiscal Analyst: Dana Patterson

According to the DCH, Michigan's lead screening rate for Medicaid-enrolled children has been between 27% and 35% in recent years. Some states test over 70% of children statewide, not just those enrolled in Medicaid. The 80% rate proposed by House Bill 5119 (H-2) certainly is feasible. The bill also would provide incentives for contracting organizations to meet or exceed performance standards, if the screening rate were not 80% by October 1, 2007.

Supporting Argument

According to testimony before the Senate Committee on Families and Human Services, approximately 95% of laboratories already report the results of blood lead screening tests to the DCH electronically. The electronic reporting requirements in House Bill 5117 (H-1) would not present an undue burden to laboratories.

Legislative Analyst: Julie Koval

FISCAL IMPACT

House Bill 5117 (H-1)

A system for the electronic reporting of blood lead analysis by clinical labs is already in place, so the bill would not result in any additional costs for implementation of that system. The bill could potentially result in a small amount of savings for the Department of Community Health because it would no longer have to process paper reports. (The majority of labs already report electronically; however, a small number still report on paper.)

House Bill 5119 (H-2)

The fiscal impact on State and local units of government is indeterminate. Funds currently appropriated for Medicaid managed care or Medicaid fee for service could be allocated to community agencies to provide lead screening tests in the event that the statewide lead screening rate was less than 80%. If this bill increased the number of tests provided and the number of children identified as having elevated blood lead

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.