

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2015 REGULAR SESSION  
REVISED 3/3/15**

**MEASURE**

2015 BR NUMBER **0901**

**SENATE** BILL NUMBER **75 GA**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to newborn screening for krabbe disease.**

**SPONSOR** **Senator Kerr**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: **Department for Public Health (Cabinet for Health and Family Services)**

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY \_\_\_\_\_     OTHER

**FISCAL SUMMARY**

<b>FISCAL ESTIMATES</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>			
<b>EXPENDITURES</b>		\$740,000	\$240,000
<b>NET EFFECT</b>		(\$740,000)	(\$240,000)

( ) indicates a decrease/negative

**MEASURE’S PURPOSE:** The measure adds krabbe disease to the newborn screening panel.

**PROVISIONS/MECHANICS:** Section 1 amends KRS 214.155 to include krabbe disease testing as part of the newborn screening program.

**FISCAL EXPLANATION:** The measure adds krabbe disease to the newborn screening panel. This is estimated to increase costs to the Department for Public Health (DPH) by \$740,000 in the first year and approximately \$240,000 annually thereafter. These costs would cover purchase of the instrument required to perform the test (at least \$500,000 non-recurring), two full-time employees (at a cost of \$140,000 for salary and benefits annually for the two), and testing supplies (\$100,000 annually). (Note: the Cabinet had originally indicated that purchase of the instrument would cost approximately \$50,000, but has corrected the cost to \$500,000.) The Cabinet notes that DPH would seek the most cost effective method of screening for krabbe disease, which could include contracting with another state or a private entity instead of the purchase of the required instrument.

Currently, per 902 KAR 4:030, the Division of Laboratory Services within the Department for Public Health charges a fee for their services to submitters of an infant’s blood specimen. The

measure makes no changes or references to this regulation.

**DATA SOURCE(S): Cabinet for Health and Family Services**

**PREPARER: Jeff Schnobrich NOTE NUMBER: 47 REVIEW: GMR DATE: 3/4/2015**