



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 754 (Substitute S-3 as reported)
Sponsor: Senator Mark H. Schauer
Committee: Families and Human Services

Date Completed: 2-6-04

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.

CONTENT

The bill would amend the Social Welfare Act to require the DCH, beginning October 1, 2007, to ensure that, as a condition of participation and funding, all health professionals, facilities, or health maintenance organizations receiving 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 the Act. 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 the Act and 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 400.111k

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, changes in behavior and

sleeping patterns, and headaches, 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.

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 the bill 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.

Legislative Analyst: Julie Koval

FISCAL IMPACT

The DCH would incur the costs associated with providing a written report to the House and Senate committees if the lead screening rates for Medicaid children fell below 80%. The DCH states that the necessary data are already being collected and the Department would use current staffing resources to monitor and analyze the data.

Fiscal Analyst: Dana Patterson

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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.