

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1055                      Infant Eye Care  
**SPONSOR(S):** Bendross-Mindingall and others  
**TIED BILLS:**                              **IDEN./SIM. BILLS:** SB 1086

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Care General Committee	_____	Brown-Barrios	Brown-Barrios
2) Insurance Committee	_____	_____	_____
3) Health Care Appropriations Committee	_____	_____	_____
4) Health & Families Council	_____	_____	_____
5) _____	_____	_____	_____

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**SUMMARY ANALYSIS**

This bill requires every baby born in a hospital to receive, prior to being discharged from the hospital; an eye examination performed using an ophthalmoscope and dilation of the pupils for detection of pediatric congenital and ocular abnormalities. An eye examination performed using an ophthalmoscope and dilation of the pupils can result in the early diagnosis of serious ocular conditions, including retinoblastoma and congenital cataract, in which early treatment is essential for future ocular and systemic health.

The bill requires health insurance policies, health maintenance contracts and Medicaid to provide coverage for an eye examination performed using an ophthalmoscope and dilation of the pupils at birth, at 6 to 8 weeks of age, and at 6 to 9 months of age to detect pediatric congenital and ocular abnormalities and developmental abnormalities.

The bill has a fiscal impact.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Limited Government –The bill creates a new mandated health benefit for all babies born, and may require governments and private markets to incur expenses to pay additional employee health insurance costs.

Empower families – The bill empowers families by providing assurance that their baby’s vision is healthy or an opportunity to intervene early to address an abnormality or disease uncovered as a result of the mandated examination.

#### B. EFFECT OF PROPOSED CHANGES:

The bill requires every baby born in a hospital to receive, prior to being discharged from the hospital; an eye examination performed using an ophthalmoscope<sup>1</sup> and dilation of the pupils for detection of pediatric congenital and ocular abnormalities. Because this procedure is not generally covered, the bill could have a fiscal impact on private health insurers<sup>2</sup> and Medicaid by mandating them to provide coverage to perform an eye examination using an ophthalmoscope and dilation of the pupils for detection of pediatric congenital and ocular abnormalities.

#### BACKGROUND

##### Florida law regarding eye exams for babies

Section 383.04, F.S., specifies that: “Every physician, midwife, or other person in attendance at the birth of a child in the state is required to instill or have instilled into the eyes of the baby within 1 hour after birth an effective prophylactic recommended by the Committee on Infectious Diseases of the American Academy of Pediatrics for the prevention of neonatal ophthalmia<sup>3</sup>. This section does not apply to cases where the parents file with the physician, midwife, or other person in attendance at the birth of a child written objections on account of religious beliefs contrary to the use of drugs. In such case the physician, midwife, or other person in attendance. Penalties exist for violation of current requirements.

##### Health insurance coverage for children

Section 627.6416, F.S., requires that health insurance policies providing coverage for a member of a family must provide that benefits applicable for children will cover child health supervision services from birth to age 16. Child health supervision services are provided by a physician, or supervised by a physician, and they include a physical exam, a developmental assessment, and appropriate immunizations and laboratory tests. The periodic visits and services must be in accordance with the Recommendations for Preventive Pediatric Health Care published by the American Academy of Pediatrics.

Section 641.31(30), F.S., requires a health maintenance contract that provides coverage for a member of a family to provide that benefits applicable for children will cover child health supervision services from the moment of birth to age 16. Child health supervision services are provided by a physician, or supervised by a physician, and they include a physical exam, a developmental assessment, and appropriate immunizations and laboratory tests. The periodic visits and services must be in accordance

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<sup>1</sup> An ophthalmoscope is a diagnostic instrument that is used to shine a light into a patient’s eye. Light reflected from the patient’s eye and projected into the examiner’s eye enables the examiner to see the condition of the eye and to detect abnormalities.

<sup>2</sup> Section 624.215, F.S., requires that any proposal for legislation that mandates health benefit coverage must be submitted with a report to AHCA and the legislative committee having jurisdiction. The report must assess the social and financial impact of the proposed coverage. No such report has been received. However, a bill analysis and economic impact statement was received by the Health Care General Committee from the agency.

<sup>3</sup> Ophthalmia is an infection of the conjunctiva, the mucous membrane that lines the inner surface of the eyelids and the forepart of the eyeball. The infection may be caused by *N. gonorrhoeae*, *C. trachomatis*, *S. aureus*, *E. coli*, and other micro-organisms. Complications of the infection can include corneal perforation, blindness, and dacryocystitis (inflammation of the lacrimal gland, the gland that secretes tears).

with the Recommendations for Preventive Pediatric Health Care published by the American Academy of Pediatrics.

### Medicaid

Medicaid finances approximately 46% of all births in Florida<sup>4</sup>. The Medicaid program currently pays for eye health care for recipients of all ages, provided through enrolled ophthalmologists and optometrists. Medicaid limits coverage for “screening” procedures, to those specifically authorized by law, (Child Health Check Up, newborn hearing screens, and adult health screens). For eye health care, Medicaid recipients must present with a suspected illness, vision problem, or actual illness.

### The American Academy of Pediatrics

Current American Academy of Pediatrics policy recommends eye examinations for infants and children at specified intervals during their development, including an examination to take place sometime during the first 2 years of life, stating: “Vision screening and eye examination are vital for the detection of conditions that distort or suppress the normal visual image, which may lead to inadequate school performance or, at worst, blindness in children. Retinal abnormalities, cataracts, glaucoma, retinoblastoma, eye muscle imbalances, and systemic disease with ocular manifestations may all be identified by careful examination.” The policy further recommends that an eye evaluation for infants and children from birth to 2 years of age include examination of the following:

1. Eyelids and orbits;
2. External structures of the eyes;
3. Motility;
4. Eye muscle balance;
5. Pupils; and
6. Red reflex.

### Red Reflex Test

According to the American Academy of Pediatrics<sup>5</sup>, the red reflex test is used to screen for abnormalities of the back of the eye (posterior segment) and opacities in the visual axis, such as a cataract or corneal opacity. An ophthalmoscope held close to the examiner’s eye and focused on the pupil is used to view the eyes from 12 to 18 inches away from the subject’s eyes. To be considered normal, the red reflex of the 2 eyes should be symmetrical. Dark spots in the red reflex, a blunted red reflex on 1 side, lack of a red reflex, or the presence of a white reflex (retinal reflection) are all indications for referral to an ophthalmologist.

According to the American Academy of Pediatrics, concern has been expressed recently that diagnosis of serious ocular conditions, including retinoblastoma and congenital cataract, in which early treatment is essential for future ocular and systemic health, often is not made sufficiently early to minimize potential consequences of those conditions. This concern has led to consideration of legislation in several states to mandate early pupil-dilated red reflex examinations in all neonates or very young infants.

Although in infants, pupils are easily dilated using various agents, significant complications have been sporadically reported with all commercially available dilating agents. These complications include elevated blood pressure and heart rate, urticaria, cardiac arrhythmias, and contact dermatitis. However, pupillary dilation has been performed routinely for many years in almost all new patients seen in most pediatric ophthalmology offices, with no complications seen for years at a time, so this procedure appears to be very safe when performed in an office setting on infants older than 2 weeks. Similarly, premature infants’ pupils are often dilated in the neonatal intensive care unit without significant complication, so dilation appears to be relatively safe even in very young infants.

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<sup>4</sup> Presented to the Florida State University School of Medicine by: Thomas W. Arnold, Deputy Secretary for Medicaid, October 25, 2004

<sup>5</sup> PEDIATRICS, Volume 109, No. 5, May 2002 - All policy statements from the American Academy of Pediatrics automatically expire 5 years after publication unless reaffirmed, revised, or retired at or before that time.

The American Academy of Pediatrics, recommends that all infants should have an examination of the red reflex of the eyes performed during the first 2 months of life by a pediatrician or other primary care clinician trained in this examination technique. This examination should be performed in a darkened room on an infant with his or her eyes open, preferably voluntarily, using a direct ophthalmoscope held close to the examiner's eye and approximately an arm's length from the infant's eyes.

### Retinoblastoma

A retinoblastoma is a rare malignant eye-tumor of the retina in young children, especially in the first years of life. Retinoblastoma is the most common intraocular malignancy of infancy and childhood. Prior to this century, retinoblastoma was a uniformly fatal disease. The development of the ophthalmoscope, general anesthesia, and surgical enucleation (removal of the eyeball) has improved prognosis so that survival rates currently exceed 90% in most industrialized countries. The average annual incidence of retinoblastoma has been reported at 31.5 per million<sup>6</sup>. A study conducted by Florida Association of Pediatric Tumor Programs found that the incidence of retinoblastoma in Florida from 1981 to 1986 was four cases per million for children under the age of 14 years.<sup>7</sup> Standard treatment which may consist of Laser therapy, cryotherapy (freezing), or chemotherapy for retinoblastoma have yielded excellent results when measured in terms of survival and preservation of vision.<sup>8</sup>

### Florida Society of Ophthalmology

Florida Society of Ophthalmology is on record expressing concerns regarding the potential side effects on infants and young children of pharmacological dilating agents necessary for the dilation of the pupils.

*Some of the side effects reported in infants and young children to the dilating agents Cyclopentolate and Phenylephrine, noted by the society include; ataxia, incoherent speech, hallucinations, hyperactivity, seizures, skin rash, abdominal distention in infants, unusual drowsiness, tachycardia, hyperpyrexia, vasodilatation, urinary retention, diminished mobility, severe manifestations of toxicity include coma, medullary paralysis, and death, psychotic reactions and behavioral disturbances in pediatric patients, and a marked increase in blood pressure has in low weight premature neonates and infants*

### Florida Chapter of the American Academy of Pediatrics

Florida Chapter of the American Academy of Pediatrics is on record expressing concerns regarding the potential side effects on infants and young children of pharmacological dilating agents necessary for the dilation of the pupils.

*Although dilation of the pupils is usually a safe procedure, there is a definite risk (2-4%) of significant complications including high blood pressure, stroke and cardiac arrest. Further, although the drops can often be instilled with minor restraint of a newborn, appropriate installation of the drops can be a significant problem in some newborns and young children, particularly in a child six to eight months of age and may require the use of significant restraints and other devices to open the eyelids.*

### Florida Births<sup>9</sup>

<sup>6</sup> James G. Gurney, Malcolm A. Smith, Julie A. Ross, Cancer Incidence and Survival among Children and Adolescents, US SEER Program 1975-1995, National Cancer Institute Nov 1999

<sup>7</sup> Source: Retinoblastoma, Curtis E. Margo, MD, MPH, Lynn E. Harman, MD, and Zuber D. Mulla, MSPH; Moffitt Center -the University of South Florida; Cancer Control Journal, Volume 5 Number 4, July / August 1998.

<sup>8</sup> Ibid

<sup>9</sup> Source: The Florida Legislature, Office of Economic & Demographic Research, October 15, 2004

Fiscal Year	Births
2004-05	212,196
2005-06	214,791
2006-07	217,463
2007-08	220,135
2008-09	222,800

C. SECTION DIRECTORY:

- Section 1. Amends s. 383.04, F.S., to require every baby born in a hospital to receive, prior to being discharged from the hospital, an eye examination performed using an ophthalmoscope as the light source and dilation of the pupils for detection of pediatric congenital and ocular abnormalities.
- Section 2. For the purpose of incorporating the amendment to section 383.04, F.S., reenacts section 383.07, F.S.
- Section 3. Amends s. 627.6416, F.S., pertaining to health insurers' coverage for child health supervision services, to require coverage for an eye examination performed using an ophthalmoscope and dilation of the pupils at birth, at 6-8 weeks of age, and at 6-9 months of age to detect pediatric congenital and ocular abnormalities and developmental abnormalities.
- Section 4. Amends s. 641.31, F.S., pertaining to health maintenance contracts, to require coverage for an eye examination performed using an ophthalmoscope and dilation of the pupils at birth, at 6-8 weeks of age, and at 6-9 months of age, to detect pediatric congenital and ocular abnormalities and developmental abnormalities.
- Section 5. Provides that the act shall take effect July 1, 2005.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Because the federal government matches state dollars in the Medicaid program (59% federal & 41% state GR), the state would generate \$2,139,132 in revenue for FY 2005-2006 and \$2,246,088 in revenue for FY 2006-2007.

2. Expenditures:

Department of Health

According to the Department of Health the fiscal impact cannot be determine at this time. Department of Health anticipates that there would be a fiscal impact on county health departments, and Children's Medical Services. Costs associated with this bill are difficult to determine at this time but there would be an increase due to the time needed for the pupils to dilate after the drops are administered and the staff and time used for the more detailed examination could make visits longer. There would also be an incremental increase in the costs of supplies.

Medicaid – Agency for Health Care Administration

According to the agency, Medicaid currently does not reimburse for the follow-up screenings mandated at six-eight weeks and six-nine months. Should a medical condition be identified through the screening process, then all follow-up treatment would be available through Medicaid. This bill would require Medicaid to pay for initial and follow-up screening visits that may not be medically necessary.

According to the agency, in FY 2005-2006 the bills fiscal impact on the agency is projected to be \$3,632, 419 (\$2,139,132 federal and \$1,493,287 GR) and in FY 2006-2007 the fiscal impact is projected to be \$3,814,040 (\$2,246,088 Federal and \$1,567,952 GR).

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None

2. Expenditures:

Since the bill creates a new mandated health benefit for all babies born, it may require local governments to incur expenses to pay additional employee health insurance costs.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The bill could have a fiscal impact on health insurers and HMOs by mandating them to provide coverage for a particular benefit, eye examinations, and follow-up visits for covered infants for detection of pediatric congenital and ocular and developmental abnormalities. The bill may also have an additional impact on providers, hospitals, midwives and others in attendance at the birth of a child in Florida; however, the fiscal impact is unknown. The bill requires follow-up visits that may not be medically necessary and may also increase costs. These costs could ultimately be passed on to consumers in the forms of higher premiums.

**D. FISCAL COMMENTS:**

The bill could also produce an undetermined cost savings. By increasing the screening services require to be performed at birth, 6 to 8 weeks of age, and at 6 to 9 months, the eye examinations mandated in the bill could result in earlier identification and treatment of serious eye conditions that could lead to blindness or other serious disease, and a subsequent reduction in the health care costs associated with those conditions.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Since the bill may require local governments to incur expenses to pay additional employee health insurance costs, the bill falls within the purview of Article VII, Section 18 of the Florida Constitution, which provides that cities and counties are not bound by general laws requiring them to spend funds or to take action which requires the expenditure of funds unless certain specified exemptions or exceptions are met. The law is binding on counties and municipalities if the Legislature determines that the law fulfills an important state interest. This bill requires that similarly situated persons (private and public employee health care coverage) must provide coverage of infant eye examinations, but does not state that the act fulfills an important state interest.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**