

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1096-01  
Bill No.: SB 316  
Subject: Nurses; Health Care; Health Care Professionals; Medical Procedures and  
Personnel; Insurance - Medical; Licenses - Professional.  
Type: Original  
Date: February 11, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
General Revenue	\$0	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\*Expected to exceed \$100,000 annually.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Insurance Dedicated	\$8,000	\$0	\$0
Nursing Fund	\$0	\$15,000	\$300
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$8,000</b>	<b>\$15,000</b>	<b>\$300</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Federal Funds	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Revenues and expenditures expected to exceed \$100,000 annually and net to \$0.**

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Missouri Department of Conservation** assume the proposal will not fiscally impact their organization.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Department of Transportation for response regarding the fiscal impact of this proposal.

Officials from the **Department of Transportation (DOT)** state the Highway & Patrol Medical Plan is not specifically mentioned in the statute, but Section 104.801, RSMo. 2000, would require the Medical Plan to provide similar coverage. The Medical Plan currently covers services provided or ordered by a registered nurse if medically necessary. The proposal defines a registered nurse first assistant as any person licensed in this state as a registered professional nurse with additional certification or meets the criteria for registered nurse first assistant. The legislation also indicates that the registered nurse first assistant would be practicing within his or her scope of practice. Assuming that the services the registered nurse first assistant are providing are medically necessary and fall within the scope of his/her practice, DOT is assuming there would be no fiscal impact to the Highway & Patrol Medical Plan.

**ASSUMPTION** (continued)

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state initially, this proposal will not impact the HCP. However, this proposal may shift costs within the plans as they contract with the registered nurse first assistant. The plans may have some new costs associated with credentialing the new provider group and establishing them in their payment roles, but there may be future savings in using a lower cost provider in certain situations.

**NOTE:** Since this proposal does not stipulate, HCP is assuming the plans may require the registered nurse first assistant to be a contracted (or network) provider.

Officials from the **Department of Insurance (INS)** state the department estimates 160 insurers and HMOs would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the INS for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments and review, the INS will need to request additional staff to handle the increase in workload.

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (PR)** state the State Board of Nursing will promulgate rules to establish a licensure category for registered nurse first assistants (RNFAs). The Missouri Association of RNFAs estimate there are approximately 100 RNFAs in Missouri. It is estimated that a \$150 biennial fee will be charged ( $100 \times \$150 = \$15,000$ ). A 3% growth rate has also been calculated ( $100 \text{ RNFAs} \times 3\% = 3 \text{ new RNFAs in FY 06}$ ).

Start-up costs for implementation of this proposal include four telephone conference calls with the Practice Committee of the board to review certifying agency criteria and approval rules ( $\$100 \times 4 = \$400$ ). It is assumed that existing staff will design, program and implement a computer licensing program ( $8 \text{ hours} \times \$21.65/\text{hour} = \$173.20$ ). This will be a one-time set-up cost. There will also be on-going expenses for the printing of application forms and renewals. It is assumed that all other costs can be covered by the board's current appropriation.

**Oversight** assumes the DED-PR will be able to absorb the minimal costs associated with implementing this proposal within current appropriations.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state this proposal requires health

insurance plans to cover all services provided or ordered by registered nurse first assistants. The Missouri State Board of Nursing could promulgate rules to enact this proposal. Based on experience with other divisions, the rules, regulations and forms issued by the Missouri State Board of Nursing could require as many as 10 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$615 [(10 pp x \$27) + (15 pp x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state it is assumed the registered nurse first assistant is an RN trained to assist in surgery. It is also assumed no new services will be covered by the Medicaid program because of this legislation. However, an increase in costs is anticipated from an increase in providers participating in the Medicaid program. The proposal specifically requires managed health care delivery entities of any type to provide, within their coverage, all services provided by a registered nurse first assistant. This proposal would require that MC+ Managed Care Health Plans include these providers in their provider network and reimburse them for their services.

Due to the changes this would necessitate in the Medicaid fee-for-service program and the MC+ Managed Care program, the fiscal impact is expected to be greater than \$100,000 (1% change in MC+ would be approximately \$5.5 million annually). It is assumed the DMS would first incur program cost in FY 05 (effective date January 1, 2004). Time is needed to establish criteria for enrollment in the Medicaid program.

Registered nurse first assistants are not currently enrolled as separate provider groups. Their services are covered and reimbursed to hospitals and ambulatory surgical centers as part of their costs. It is ASSUMPTION (continued)

assumed that the registered nurse first assistants would enroll and participate in the Medicaid program as a separate provider.

It is estimated there are about 300 registered nurse first assistants in Missouri. The estimate is based on past discussions with the Missouri Association of RNFAs (registered nurse first assistant). The number of persons who would enroll as a Medicaid provider could reach 300. The DMS Provider Enrollment Unit will need one full time employee (FTE) to enroll these new providers. Start date for the FTE is April, 2004.

**FY 04 Total Cost:**

Program Cost - \$0  
Administration Cost - 1 FTE (3 months) - \$18,329

**FY 05 Total Cost:**

Program Cost - Unknown > \$100,000  
Administration Cost - 1 FTE - \$42,550

**FY 06 Total Cost:**

Program Cost - Unknown > \$100,000  
Administration Cost - 1 FTE - \$43,631

**Oversight** notes the difference in the number of RNFAs in Missouri as stated by the DED-PR and the DMS. Therefore, although the number of RNFAs could reach 300, **Oversight** assumes the actual number of RNFAs will be somewhere between 100 and 300. **Oversight** further assumes the DMS Provider Enrollment Unit could absorb the unknown number of provider enrollments. If multiple proposals pass which would require additional provider enrollments, the DOS could request funding through the appropriation process.

**This proposal will result in an increase in Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Social Services</u>			
Medical assistance payments	\$0	(Unknown)*	(Unknown)*

**ESTIMATED NET EFFECT ON  
 GENERAL REVENUE FUND**

<u><b>\$0</b></u>	<u><b>(Unknown)*</b></u>	<u><b>(Unknown)*</b></u>
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\* Expected to exceed \$100,000 annually.

**INSURANCE DEDICATED FUND**

Income - Department of Insurance

Policy form filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON  
 INSURANCE DEDICATED FUND**

<u><b>\$8,000</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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**NURSING FUND**

Income - Department of Economic  
 Development - Professional Registration

Licensing fees	<u>\$0</u>	<u>\$15,000</u>	<u>\$300</u>
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**ESTIMATED NET EFFECT ON  
 NURSING FUND**

<u><b>\$0</b></u>	<u><b>\$15,000</b></u>	<u><b>\$300</b></u>
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**FEDERAL FUNDS**

Income - Department of Social Services

Medicaid reimbursements	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>
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Costs - Department of Social Services

Medicaid assistance payments	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON  
 FEDERAL FUNDS\***

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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\* Revenues and expenditures are expected to exceed \$100,000 annually and net to \$0.

FISCAL IMPACT - Local Government

FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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FISCAL IMPACT - Small Business

Small businesses could be expected to be fiscally impacted to the extent that they would incur

increased health insurance premiums as a result of this proposal.

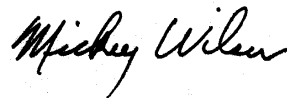
### DESCRIPTION

This proposal requires specific health plans to cover all services provided or ordered by registered nurse first assistants. A "registered nurse first assistant" (RNFA) is defined as a registered nurse, licensed in Missouri, who has received additional certification through a nationally-recognized professional organization to become a RNFA or who meets the criteria for RNFAs establishes by the Missouri State Board of Nursing. If so certified, then all services provided by RNFAs will be covered by the specified health plans, including Medicaid.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Department of Economic Development -  
    Division of Professional Registration  
Department of Transportation  
Department of Social Services  
Department of Public Safety -  
    Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
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