

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0224-08
Bill No.: HCS for SS for SCS for SB's 74 & 49
Subject: Children and Minors; Health Care; Health Department; Health, Public; Insurance
Type: Original
Date: May 2, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$41,000 to unknown)	(\$41,000 to unknown)	(\$41,000 to unknown)
Total Estimated Net Effect on General Revenue Fund	(\$41,000 to UNKNOWN)	(\$41,000 to UNKNOWN)	(\$41,000 to UNKNOWN)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Insurance Dedicated Fund	\$0 - \$8,000	\$0	\$0
Department of Health and Senior Services Administrative and Cost Allocation Fund*	\$0	\$0	\$0
Department of Health and Senior Services Disaster Fund*	\$0	\$0	\$0
Missouri Public Health Services Fund	\$41,000 to Unknown	\$41,000 to Unknown	\$41,000 to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$41,000 to Unknown	\$41,000 to Unknown	\$41,000 to Unknown

*Unknown income and costs would net to \$0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation, Office of State Courts Administrator**, the **Department of Mental Health**, and the **Department of Economic Development** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state this proposal requires mercury free immunizations for pregnant women and children less than three years of age. The DMS states there would be no cost.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state HCP benefits provide coverage for childhood immunizations including Poliomyelitis, Rubella, Rubeola, Mumps, Tetanus, Pertussis, Diphtheria, Hepatitis B, Hemophilus Influenza Type B and Varicella. HCP states approximately five of those covered immunizations contain Thimerosal.

Since no preference would be given to mercury free formulations, HCP assumes this legislation would have no fiscal impact.

Officials from the **Department of Insurance (INS)** estimate 160 insurers and HMOs might be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$0 to \$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 reviews the department will need to request additional staff to handle increase in workload.

Officials from the **Department of Health and Senior Services (DOH)** state they do not have data on the variance of cost and efficacy of immunizations with and without mercury preservatives. However, the DOH assumes this proposal would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Office of Attorney General (AGO)** assumes that provisions relating to immunizations containing mercury (Section 191.235, formerly SB 74 & 49) can be absorbed with existing resources. AGO states with regard to provisions relating to newborn screening (Section 191.332, formerly HB 818), education efforts about the risk of hepatitis C (Section **ASSUMPTION** (continued)

191.645, formerly HB 217), the DHSS Administrative and Cost Allocation Fund and Services Disaster Fund (Section 192.324 et seq., formerly HB 819), changes allowing electronic signatures on birth certificates (Sections 193.015 et seq.), AGO assumes that these provisions will create no fiscal impact.

Officials from the **Department of Public Safety - Missouri State Highway Patrol and the Missouri Department of Transportation (DOT)** stated beginning April 1, 2007, this legislation prohibits the administering of immunizations containing a specified measurement to knowingly pregnant women and children less than three years of age and requires insurers, health service corporations or HMO's to provide insurance coverage for non-mercury immunizations at the same percentage rate of the usual and customary charges as for immunizations with mercury prior to April 1, 2007. DOT states this legislation will have no fiscal impact on MHTC/MoDOT. The Highway and Patrol Medical Plan is not an insurer, a health service corporation or HMO. However, section 104.801 RSMo. would require the Medical Plan to offer similar coverage.

DOT states currently, the Medical Plan provides coverage for immunizations for children through age five and according to the American Academy of Pediatrics' recommended childhood and adolescent immunization schedule for children over age five. The Medical Plan provides for coverage of these immunizations whether they are with preservatives or without. DOT assumes the only immunization that this legislation is going to affect is the influenza immunization. All other immunizations for children under age seven have the Food and Drug Administration's designation as thimerosal free or trace only.

DOT assumes that most children are currently receiving the influenza vaccine with the preservative thimerosal. With the passage of this legislation no health care provider in the state of Missouri would be allowed to administer the influenza vaccine containing the preservative thimerosal.

There are four different Current Procedural Terminology (CPT) codes for influenza vaccines. They are listed below along with allowed amounts for each code.

90655 – Influenza virus vaccine, without preservatives, 6-35 months dosage \$15.75
90656 – Influenza virus vaccine, without preservatives, 3 years and above dosage \$14.76
96057 - Influenza virus vaccine, 6-35 months dosage \$ 5.58
96058 – Influenza virus vaccine, 3 years and above dosage \$10.99

The Highway and Patrol Medical Plan currently has 718 children who are six to thirty-five months old. The Medical Plan will pay 100% for an influenza immunization in-network for ASSUMPTION (continued)

children through age five. Coverage of immunizations for children over age five is based on the American Academy of Pediatrics' recommended childhood and adolescent immunization schedule. Their schedule recommends an annual influenza immunization for children up to twenty-four months and only those at risk over the age of twenty-four months. The influenza vaccine only comes in a dosage for children six months and older. For purposes of this fiscal note DOT will assume all children six months through age five will receive an annual influenza immunization, because the DOT plan will cover these 100% when in-network.

There would be no fiscal impact in FY2006 but as a result of the above assumptions, the Highway and Patrol Medical Plan would have a fiscal impact of approximately \$7,302 in FY 2007. This was calculated by multiplying the number of children six months to 35 months of age (718) by the difference in the preservative free and preserved influenza vaccine for their age group ($\$15.75 - \$5.58 = \$10.17$).

The Highway and Patrol Medical Plan consists of approximately 77% MoDOT participation and 23% Patrol participation. As a result, \$5,623 would be due to MoDOT participation and \$1,679 would be due to Patrol participation for FY2007.

Historically, the department and the plan members have shared in any premium increases necessary because of increases in benefits. The costs may be shared in the long run (meaning shared between three categories: absorbed by the plan, state appropriated funds, and/or costs to individuals covered under the plan). However, the Medical Plan, MHTC, MoDOT, and Patrol must make a decision on how to fund the increase; until then, here are the total costs of the legislation.

Oversight assumes not all children in the Highway and Patrol Medical Plan will not receive influenza vaccines, and the cost would be lower than the DOT estimate. In a similar note from the previous fiscal year (L.R. 3360-12, SCS for HS for HCS for HB 852) DOT assumed that costs could be absorbed. **Oversight** assumes DOT can absorb the costs.

Officials from the **State Treasurer's Offices (STO)** state the Missouri Public Health Services Fund will now be exempt from the biennial transfer. STO states this fund is currently subject to the biennial transfer when the amount remaining in the fund at the end of the biennium exceeds \$500,000. STO states for the biennium that ended June 30, 2003, \$88,382 was transferred to the General Revenue Fund. The loss to GR is unknown. STO state the fund will now retain the interest earned on the fund. Currently, the interest on the fund is credited to General Revenue. In FY 04, the fund earned \$22,990 and in FY05 the fund is projected to earn approximately \$41,000. STO states this is a fiscal impact to General Revenue since it will no longer be ASSUMPTION (continued)

receiving the interest from the fund.

Oversight will present the Department of Health and Senior Services Administrative and Cost Allocation Fund and the Department of Health and Senior Services Disaster Fund with unknown income and costs which will net to \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
---	---------------------	---------	---------

GENERAL REVENUE

<u>Loss</u> - State Treasurer's Office			
Loss of interest	<u>(\$41,000 to unknown)</u>	<u>(\$41,000 to unknown)</u>	<u>(\$41,000 to unknown)</u>

ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$41,000 to UNKNOWN)</u>	<u>(\$41,000 to UNKNOWN)</u>	<u>(\$41,000 to UNKNOWN)</u>
--	---	---	---

INSURANCE DEDICATED FUND

<u>Income</u> - Department of Insurance			
Filing fees	<u>\$0 - \$8,000</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$0 - \$8,000</u>	<u>\$0</u>	<u>\$0</u>
---	-----------------------------	-------------------	-------------------

**DEPARTMENT OF HEALTH AND
 SENIOR SERVICES
 ADMINISTRATIVE AND COST
 ALLOCATION FUND**

Income - Department of Health and
Senior Services

Appropriations, deposits and transfers	Unknown	Unknown	Unknown
--	---------	---------	---------

Costs - Department of Health and Senior
Services

(Unknown)	(Unknown)	(Unknown)
-----------	-----------	-----------

**ESTIMATED NET EFFECT ON
DEPARTMENT OF HEALTH AND
SENIOR SERVICES
ADMINISTRATIVE AND COST
ALLOCATION FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

**DEPARTMENT OF HEALTH AND
SENIOR SERVICES DISASTER
FUND**

Income - Department of Health and
Senior Services

Appropriations	Unknown	Unknown	Unknown
----------------	---------	---------	---------

Costs - Department of Health and Senior
Services

(Unknown)	(Unknown)	(Unknown)
-----------	-----------	-----------

**ESTIMATED NET EFFECT ON
DEPARTMENT OF HEALTH AND
SENIOR SERVICES DISASTER
FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
------------	------------	------------

**MISSOURI PUBLIC HEALTH
SERVICES FUND**

Income - State Treasurer's Office

Interest	<u>\$41,000 to unknown</u>	<u>\$41,000 to unknown</u>	<u>\$41,000 to unknown</u>
ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND	<u>(\$41,000 to UNKNOWN)</u>	<u>(\$41,000 to UNKNOWN)</u>	<u>(\$41,000 to UNKNOWN)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Section 191.235

The act prohibits immunizations containing specified amounts of mercury preservatives after April 1, 2007 to knowingly pregnant women or children less than three years of age.

Beginning April 1, 2007, any health carrier as defined in section 376.1350, RSMo, doing business in the state of Missouri that provides insurance coverage for immunizations on a fee schedule or on a percentage reimbursement basis shall reimburse for immunizations not containing mercury at the same percentage rate of the usual and customary charges which were provided for immunizations containing mercury or other preservatives immediately prior to April 1, 2007.

The Director of the Department of Health and Senior Services will be exempt from compliance with this act if the director finds, and the governor concurs, that an actual or potential public health emergency exists.

No one will be compelled to receive a vaccine that does not comply with the mercury limits specified in this proposal.

DESCRIPTION (continued)

Section 191.332

This act provides that newborn screening requirements are not limited to disorders and conditions

specified in current law.

Section 191.645

This act requires healthcare employers to make certain information available to their employees on the risk of exposure to hepatitis C, including availability of testing, cost, and protocol for accidental exposure.

The department shall maintain a "Missouri Hepatitis C" Internet website and provide information on the disease and on support groups in Missouri. The website must also contain links providing information on the disease.

Section 192.324 - 192.326

Creates two funds for use by the Department of Health and Senior Services during a state or emergency and in return for certain goods and services provided.

Section 193.015 - 193.145

This act also modifies the birth and death certificate provisions. This act provides that a birth certificate shall be filed within five days of birth and certify the place, time, and date of the live birth by a signature or an electronic process approved by the Department of Health and Senior current law provides that the certificate be filed within seven days of birth. Also, when a medical certification is filed in order to obtain a death certificate, it must be attested to by either a signature or an electronic process approved by the department.

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

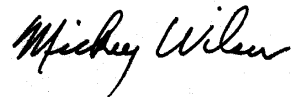
Missouri Department of Conservation

CM:LR:OD (12/02)

L.R. No. 0224-08
Bill No. HCS for SS for SCS for SB's 74 & 49
Page 10 of 10
May 2, 2005

Department of Social Services
Department of Insurance
Department of Economic Development
Department of Transportation
Missouri Consolidated Health Care Plan
Department of Health and Senior Services
Department of Public Safety—
 Missouri State Highway Patrol
Department of Mental Health
State Treasurer's Office
Office of State Courts Administrator
Office of Attorney General

Not Responding: Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 2, 2005