

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0787-04
Bill No.: HCS for SB 177
Subject: Dentists; Liability; Health Care Professionals
Type: Original
Date: April 18, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	\$486,542	\$584,840	\$577,142
Total Estimated Net Effect on General Revenue Fund	\$486,542	\$584,840	\$577,142

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Missouri Public Health Services	\$0	\$0	\$0
State Legal Expense	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Federal	\$356,903	\$421,988	\$432,976
Total Estimated Net Effect on <u>All</u> Federal Funds	\$356,903	\$421,988	\$432,976

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(More than \$600,000)	(More than \$550,000)	(More than \$550,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Administrative Hearing Commission, Department of Economic Development – Division of Professional Registration, Department of Mental Health, and Truman State University** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of the Secretary of State (SOS)** assume the proposal would give the Department of Economic Development and the Department of Health and Senior Services the authority to adopt rules to implement the provisions of this act. These rules would be published in the Missouri Register and the Code of State Regulations. These rules could require as many as 62 pages in the Code of State Regulations and half again as many pages in the Missouri Register, as cost statements, fiscal notes, and the like are not repeated in the Code. The estimated cost of a page in the Missouri Register is \$23 and the estimated cost of a page in the Code of State Regulations is \$27. Based on these costs, the estimated cost of the proposal is \$3,813 in FY 06 and unknown in subsequent years. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which would 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.

DENTAL EXTRACTIONS – Section 105.712

Officials from the **Office of Administration – Division of Risk Management** assume the proposal has the potential for costs to the State Legal Expense Fund. There are no claims to date. Therefore, costs cannot be determined at this time.

In response to a previous version of the proposal, officials from the **Office of the Attorney General (AGO)** assumed the proposal will result in exposure to additional liability for the state through the legal expense fund. Dental extractions are beyond what is ordinarily considered primary care, and present significant risks. Because the facts and circumstances that might give rise to litigation are impossible to predict, AGO assumes the cost is unknown, but potentially significant.

LICENSE FEE FOR EMERGENCY PERSONNEL – Section 190.550

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal would provide funding for the Unit of EMS to continue its operations. Currently, the Unit of EMS is funded by the Preventative Health and Health Services (PHHS) Block Grant and state General Revenue.

DOH assumes, for fiscal note purposes, that the licensure and accreditation fees assessed as a result of this legislation would cover the entire cost of operating the Unit of EMS. The fees collected would replace General Revenue and federal PHHS block grant funding. Based on that assumption, DOH states fees would need to be set to generate approximately \$1,280,000 per year (based on full year costs for FY 2007).

Oversight has presented income from fees to be the same as the costs of the program. Since DOH can establish the fees, theoretically the fees would be set to cover the cost of the program.

ASSUMPTION (continued)

Officials from the **St. Charles County Ambulance District** assume they would have a fiscal impact but cannot determine the cost without knowing the DOH fee structure. St. Charles County Ambulance District has 130 licensed personnel.

In response to a similar proposal from the current session (HB 803, LR # 2095-01), officials from the **Taney County Ambulance District** assumed they would have a unknown fiscal impact as a result of this proposal.

In response to a similar proposal from the current session (HB 803, LR # 2095-01), officials from the **Valle Ambulance District** assume they have 42 full and part time employees. They would also have an unknown fiscal impact depending on the fee structure.

This proposal would increase Total State Revenues.

DENTAL HYGIENISTS – Sections 332.302, 332.303, 302.304, 302.305, and 332.312

Officials from the **Coordinating Board for Higher Education** and **Missouri Western State College** assume the proposal would have no fiscal impact on their agencies.

In response to a similar proposal from the current session (SB 523, LR # 1949-01), officials from the **Kansas City Metro Colleges** stated, assuming there would be no equipment or facility costs, the proposal would require start-up costs of approximately \$50,000 per site and would also require on-going support in excess of the revenues generated by the program of between \$50,000 and \$75,000 per year per site. Depending on demand, one, maybe two sites could be set up in the Kansas City area.

In response to a similar proposal from the current session (SB 523, LR # 1949-01), officials from **Missouri Southern State University (Missouri Southern)** stated in June 2003, the Missouri Dental Association (MDA) convened a special meeting of the Dental Hygiene Program educators to discuss their concern about access to dental hygiene services throughout the state. Missouri Southern agreed to move forward to develop distance programs and in January 2004, the Missouri Dental Association Foundation donated \$25,000 to assist Missouri Southern in the preliminary development of these programs.

ASSUMPTION (continued)

Since this initial commitment, Missouri Southern faculty have been preparing to deliver the dental hygiene curriculum by Instructional TV (ITV) and Internet with the clinical instruction provided at the offsite locations. Missouri Southern secured a Congressional direct grant of approximately \$1 million for the one-time equipment costs for two off site clinics. This grant must be spent between May 2005 and April 2006. It is critical that Missouri Southern secure appropriations for recurring expenses to operation these two programs on an annual basis beginning with the 2006 fiscal year. If funds are not secured for the recurring costs of the State of Missouri, its citizens will lose the million dollar grant for increasing access to preventative oral health services. If funds are secured, it is feasible to have these two sites accept their first group of qualified students by the Fall 2006.

These two off-site clinics were identified using the 2002 Missouri Dental Board license renewal data to identify areas of the state with the greatest need of preventative oral health services. The two sites being targeted are the Central and Northeast regions of the state.

The recurring costs for operations of these two clinical sites is projected to be around \$500,000 annually.

Officials from the **University of Missouri** assume they could incur additional costs between \$200,000 and \$750,000. The cost would vary according to the number of delivery sites for the Distance Dental Hygienist Education Program. Officials estimate start up costs would involve \$100,000 in salary and wages and approximately \$100,000 facility upgrade at the sending institution.

SOCIAL WORKERS – Sections 337.600, 337.603, 337.615, 337.618, and 337.653

Officials from the **Department of Social Services (DOS)** assume since licensing is optional for DOS employees, there is no fiscal impact to the department. Even if the DOS decided to reimburse employees for the continuing education requirement, it would be because the training was deemed to be valuable to the DOS and not because the employee needed the course to maintain their credentials.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Savings</u> – Department of Health and Senior Services (§190.550)	<u>\$486,542</u>	<u>\$584,840</u>	<u>\$577,142</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$486,542</u>	<u>\$584,840</u>	<u>\$577,142</u>
MISSOURI PUBLIC HEALTH SERVICES FUND			
<u>Income</u> – Department of Health and Senior Services (§190.550)	\$821,729	\$1,011,515	\$1,037,614
<u>Costs</u> – Department of Health and Senior Services (DHSS) (§190.550)			
Personal Service (15 FTE)	(\$483,974)	(\$595,288)	(\$610,171)
Fringe Benefits	(\$206,463)	(\$253,950)	(\$260,299)
Expense and Equipment	<u>(\$131,292)</u>	<u>(\$162,277)</u>	<u>(\$167,144)</u>
<u>Total Costs</u> – DHSS	<u>(\$821,729)</u>	<u>(\$1,011,515)</u>	<u>(\$1,037,614)</u>
ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
STATE LEGAL EXPENSE FUND			
<u>Costs</u> – Office of Administration (§105.712)			
Increased claims	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE LEGAL EXPENSE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FEDERAL FUNDS

<u>Savings</u> – Department of Health and Senior Services (§190.550)	<u>\$356,903</u>	<u>\$421,988</u>	<u>\$432,976</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$356,903</u>	<u>\$421,988</u>	<u>\$432,976</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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LOCAL FUNDS

<u>Costs</u> – Local Ambulance Districts (§190.550)	(Unknown)	(Unknown)	(Unknown)
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<u>Costs</u> – Colleges and Universities Creation and operation of distant dental hygienist education programs (Chapter 332)	(More than <u>\$600,000</u>)	(More than <u>\$550,000</u>)	(More than <u>\$550,000</u>)
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ESTIMATED NET EFFECT ON LOCAL FUNDS	<u>(More than \$600,000)</u>	<u>(More than \$550,000)</u>	<u>(More than \$550,000)</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposed legislation would modify a number of provisions regarding professional registration:

DESCRIPTION (continued)

DENTAL EXTRACTIONS – Section 105.712

Currently, certain dentists who perform dental primary care and preventive health services are covered by the state legal expense fund. The proposal would add extractions to the definition of dental primary care and preventive health services.

LICENSE FEE FOR EMERGENCY PERSONNEL – Section 190.550

The Department of Health and Senior Services would establish a fee schedule to be paid by applicants for specific emergency personnel licenses. Moneys collected by the department would be deposited into the Missouri Public Health Services Fund. These provisions would not apply to persons employed by volunteer ambulance services.

GEOLOGISTS – Section 256.468

The proposal would remove the grandfather provisions regarding the licensing of geologists.

MANICURISTS – Section 329.050

The proposal would increase the minimum number of hours a manicure apprentice must complete in order to be licensed from 750 to 800. A person could apply to take the required licensing examination if the person is a graduate of a foreign cosmetology program if the Cosmetology Board, in its sole discretion, determines that the program has educational requirements which are substantially the same as the requirements for an educational establishment licensed by the Board.

DENTAL HYGIENISTS – Sections 332.302, 332.303, 302.304, 302.305, and 332.312

The proposal would, subject to appropriations, establish the Dental Hygienist Distance Learning Committee and authorize the Department of Economic Development to contract with an institution of higher education to establish a distant dental hygienist learning program for the purpose of off-site clinical and didactic training. The program must meet all standards established by the Council on Dental Accreditation.

PHYSICIAN ASSISTANTS – Section 334.735

The proposal would remove a provision of law that conflicts with the definition of physician assistants.

DESCRIPTION (continued)

SOCIAL WORKERS – Sections 337.600, 337.603, 337.615, 337.618, and 337.653

Currently, an applicant for licensure must complete 24 months of supervised clinical experience. The proposal would require an applicant to complete 3,000 hours of clinical experience with a licensed social worker in at least 24 months, but no more than 48 months. The proposal would remove a requirement that an applicant must pass examination specifically on Missouri law and regulations governing the practice of social work and a requirement that the applicant be a member in good standing of the Academy of Certified Social Workers. Licensed social workers would be required to complete a minimum of 30 hours of continuing education for license renewal. Currently, licensed baccalaureate social workers cannot engage in the private practice of clinical social work. The proposal would modify the scope of practice for a licensed baccalaureate social worker and would authorize such licensee to engage in the independent practice of baccalaureate social worker. The proposal would define what constitutes independent practice.

NURSING HOME ADMINISTRATORS – Section 344.040

The proposal would require all nursing home administrators licenses to expire on June 30 following the year it was issued and every other year thereafter. An administrator seeking a renewal would file an application during the month of May of the year of their renewal, accompanied by a fee, as provided by rule, payable to the Department of Health and Senior Services. The board would provide by rule as to whether licenses issued or renewed during 2006 may be for either a one or two year term.

ATHLETE AGENTS – 436.218

The proposal would modify the definition of student athlete within the provisions regarding athletic contracts.

SETTLEMENT NEGOTIATIONS – Section 621.045

The proposal would remove the requirement that the a professional licensing board wait 30 days before informing a licensee that they are in violation of their licensing requirements prior to engaging in settlement negotiations and would shorten the time from 60 to 30 days that the licensee has to consider the settlement offer prior to contacting the respective board to discuss the settlement offer.

DESCRIPTION (continued)

BOARD OF PHARMACY – Section 1

The proposal would authorize the Board of Pharmacy to prepare an equitable salary schedule for employees attributed to the inspection of licensed entities.

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

Office of the Attorney General
Office of Administration
Coordinating Board for Higher Education
Department of Economic Development
– Division of Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Office of the Secretary of State
St. Charles County Ambulance District
Valle Ambulance District
Taney County Ambulance District
Missouri Western State College
Truman State University
University of Missouri
Kansas City Metro Colleges
Missouri Southern State University



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Director

L.R. No. 0787-04
Bill No. HCS for SB 177
Page 11 of 11
April 18, 2005

April 18, 2005

BLG:LR:OD (12/02)