

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3351-07
Bill No.: SCS for SB 637
Subject: Children and Minors; Health Care; Health Care Professionals; Hospitals; Boards, Commissions, Committees, Councils
Type: Original
Date: March 6, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Board of Direct-Entry Midwives	\$0	\$102,081	(\$21,364)
PR Fees	(\$21,406)	\$0	\$0
Other PR	\$0	\$1,148	\$4,177
Total Estimated Net Effect on <u>Other</u> State Funds	(\$21,406)	\$103,229	(\$17,187)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Office of the Governor, Missouri Senate, Office of State Treasurer, and Department of Social Services** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposal will not significantly alter its caseload. However, if other similar proposals also pass, there are more cases, or the case are more complex, there could be a fiscal impact.

Officials from the **Department of Health and Senior Services (DOH)** state the 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 Prosecution Services** assume the proposal will not have a significant direct fiscal impact on county prosecutors.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

ASSUMPTION (continued)

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through either incarceration (FY 05 average of \$39.13 per inmate per day or an annual cost of \$14,282 per inmate) or through supervision provided by the Board of Probation and Parole (FY 03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender per year).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (PR)** state provide the following assumptions related to this proposal:

Based on a 2005 estimate from the National Association for Registered Midwives, it is estimated there are approximately 25 individuals in the state of Missouri that will be required to be licensed. The DED-PR assumes an initial fee of \$5,000 will be paid for all categories of licensure with biennial renewal and a renewal fee of \$4,600. The DED-PR estimates a 3% growth rate and assumes licensure begins in FY 08 and renewals begin in FY 10. Revenue to the Board of Direct-Entry Midwives Fund is projected to be \$125,000 in FY 08 and \$5,000 in FY 09.

The DED-PR assumes all fees collected and all expenses would be deposited into and paid out of the Board of Direct-Entry Midwives Fund. The DED-PR notes expenses occurring prior to an appropriation (FY 08) would be borrowed from another fund within Professional Registration, pursuant to section 620.160, RSMo, and paid back in FY 10.

The DED-PR assumes implementation of the proposal will require hiring an additional 0.5 FTE Licensure Technician II in FY 07 at \$13,146 to provide technical support, process applications and respond to inquiries. The DED-PR assumes rental space will be needed for this additional FTE at an annual cost of \$1,399 beginning in FY 08.

ASSUMPTION (continued)

The DED-PR assumes the seven (7) member board would meet four (4) times per year for two (2) days per meeting, in Jefferson City. The DED-PR notes the Principal Assistant, one clerical staff member and the division's legal counsel will also attend the meeting. The DED-PR assumes there would be four (4) meetings in FY 07 to promulgate rules and regulations. It is estimated that each board member will receive reimbursement for expenses for each day conducting board business. The proposal allows members to receive \$50 per diem for conducting board business.

The DED-PR assumes 10 complaints would be received each year and would require, on average, five hours each to complete. The DED-PR estimates 30% of these complaints (3) will require field investigations and will require an investigator to incur overnight expenses. Travel expenses for the investigations are estimated at \$519 annually. The DED-PR assumes complaints and investigations would not start until FY 08.

The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). The DED-PR estimates \$4,401 annually for AGO assistance with board meetings, opinions, promulgation of rules and regulations, interpretation of legislation, litigation, etc.

The DED-PR assumes printing and postage costs will not be incurred in the first year for statute and rule mailings and for startup printing of rules, applications, letterhead and envelopes as there will be no licenses issued until FY 08. The DED-PR estimates printing and postage costs at \$6.25 per licensee. Subsequent years' printing and postage costs are expected to be a minimal amount annually, based on a similarly-sized board.

The DED-PR assumes licensed direct-entry midwives will represent 0.5% of DED-PR's overhead. As such, the board will be required to reimburse the Division and the Department of Economic Development for its share of administrative overhead costs.

Oversight assumes the DED-PR will not hire 0.5 FTE Licensure Technician II and the duties involved with this position will be absorbed by existing staff. As a result, additional equipment will also not be needed. **Oversight** assumes if the number of direct-entry midwives licensees increases substantially, the DED-PR could request additional funding through the appropriations process.

Oversight notes that the inclusion of rent expense and administrative overhead costs in the total costs to be incurred by the Board of Direct-Entry Midwives will result in a lower allocation of these expenses to other licensing boards. As a result, **Oversight** has shown a savings to Other Professional Registration (PR) Funds in an amount equal to the expenses to the Board of Direct-Entry Midwives Fund.

ASSUMPTION (continued)

Officials from the **Office of Attorney General (AGO)** state the proposal creates a new licensing board within the Division of Professional Registration. The Board has the power to license, place limitations on licenses and discipline licensees. The AGO assumes it would need 0.5 FTE Assistant Attorney General (AAG) I to assist the Board in the rule making process, licensing and appearances before the Administrative Hearing Commission. The AGO assumes a cost for FY 07 of \$28,799; FY 08 costs of \$30,621; and FY 09 costs of \$31,415.

Oversight assumes the AGO would not hire 0.5 FTE AAG I and current staff would absorb the additional duties. **Oversight** assumes the DED-PR would reimburse the AGO for any costs incurred for assistance with rule making, licensing and appearances before the Administrative Hearing Commission.

Officials from the **Office of State Public Defender** did not respond to our request for a statement of fiscal impact.

This proposal will increase total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
BOARD OF DIRECT-ENTRY MIDWIVES FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from PR Fees Fund	\$21,406	\$0	\$0
<u>Income - DED-PR</u>			
Licensure Fees/Renewals	\$0	\$125,000	\$5,000
<u>Costs - DED-PR</u>			
Board member per diem (7)	(\$2,800)	(\$2,800)	(\$2,800)
Board meetings and other expenses	(\$13,665)	(\$14,561)	(\$14,977)
AGO and other allocated costs	(\$4,941)	(\$5,558)	(\$8,587)
Total <u>Costs</u> - DED-PR	<u>(\$21,406)</u>	<u>(\$22,919)</u>	<u>(\$26,364)</u>
ESTIMATED NET EFFECT ON BOARD OF DIRECT-ENTRY MIDWIVES FUND			
	<u>\$0</u>	<u>\$102,081</u>	<u>(\$21,364)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
PR FEES FUND			
<u>Transfer-Out - DED-PR</u>			
Transfer to Board of Direct-Entry Midwives Fund	(\$21,406)	\$0	\$0
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$21,406)</u>	<u>\$0</u>	<u>\$0</u>
OTHER PR FUNDS			
<u>Savings - Other PR Funds</u>			
Reduction in rent and overhead costs allocated to other licensing boards	\$0	\$1,148	\$4,177
ESTIMATED NET EFFECT ON OTHER PR FUNDS	<u>\$0</u>	<u>\$1,148</u>	<u>\$4,177</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal would have a direct fiscal impact on direct-entry midwives.

DESCRIPTION

This proposal creates a "Board of Direct-Entry Midwives" within the Division of Professional Registration. The board shall have the power to issue licenses and to suspend, revoke or deny the license of a direct-entry midwife.

A direct-entry midwife is defined as one who is certified by the North American Registry of Midwives (NARM) as a certified professional midwife providing for compensation those skills relevant to the care of women and infants before, during, and six weeks after birth.

DESCRIPTION (continued)

A licensed direct-entry midwife is required to present a written disclosure statement to each client outlining the practice of midwifery, his or her training, experience, malpractice or liability insurance coverage, and emergency medical plan. This requirement has some exceptions, including a religious practice exception.

No licensed direct-entry midwife shall be permitted to accept payment for services under the state Medicaid program, prescribe drugs or medications, perform vacuum deliveries, medical inductions or cesarean sections, or use forceps during the delivery of an infant.

This proposal provides that no person other than the licensed direct-entry midwife who provided care to the patient shall be liable for the direct-entry midwife's negligent or willful and wanton acts or omissions. Also, no licensed physician, certified nurse midwife, hospital, licensed doctor of osteopathy, or emergency medical technician licensed under Chapter 190, RSMo, or agents thereof, shall be exempt from liability for their own subsequent and independent negligent acts or omissions or willful and wanton acts or omissions.

This proposal also provides that a licensed direct-entry midwife providing the service of direct-entry midwifery shall not be deemed to be engaged in the practice of medicine, nursing, nurse-midwifery, or any other medical or healing practice.

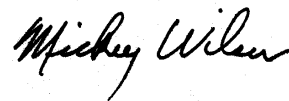
This proposal provides that it shall be unlawful for any person to engage in the practice of direct-entry midwifery unless such person is licensed as a direct-entry midwife under the provisions of this proposal. Also, any person who violates the provisions of this proposal is guilty of a Class A misdemeanor

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 Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Office of the Governor
Office of Prosecution Services
Missouri Senate
Office of Secretary of State
Office of State Treasurer

NOT RESPONDING: Office of State Public Defender



Mickey Wilson, CPA
Director
March 6, 2006