

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4455-02
Bill No.: Perfected SCS for SB's 858 & 868
Subject: Health Care; Medicaid; Medical Procedures and Personnel
Type: Original
Date: February 9, 2006

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Healthcare Technology Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

*Assume unknown transfers in--appropriations, gifts, donations, or bequests and unknown costs would net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 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 **Department of Social Services - Division of Medical Services (DMS)** state upon appropriation, money in the Healthcare Technology Fund would be used to promote technological advances to improve patient care, decrease administrative burdens and increase patient and health care provider satisfaction.

DMS states since the proposed legislation does not mandate that these changes take effect until appropriated and funded through the Healthcare Technology Fund, there would not be a fiscal impact to the Division of Medical Services.

Oversight assumes funds will be disbursed from the fund when they are appropriated.

Officials from the **Office of Administration, Division of Budget and Planning** and **Division of Accounting** assume this proposal would have no impact to their organizations.

Officials from the **Office of Attorney General (AGO)** assume that with respect to the duties created regarding the regulation of the fund, this proposal will create minimal costs that can be ASSUMPTION (continued)

absorbed with existing resources.

In response to a similar fiscal note, officials from the **Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. SOS is provided with core funding to handle a certain amount of normal activity resulting from each years legislative session. The fiscal impact for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also 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 our office can sustain with our core budget. Therefore, 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 **Office of State Treasurer (STO)** state that the legislation says, "the state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo."

STO states it will only ensure the disbursements are made from a lawful appropriation and do not exceed the amount of the appropriation. STO suggests the following wording change: "The state treasurer shall be custodian of the fund. In accordance with Sections 30.170 and 30.180 RSMo, the state treasurer may approve disbursements".

If the wording isn't changed, STO assumes it will need an FTE (Analyst I - \$36,444 plus E&E) to monitor these disbursements.

Oversight assumes that the intent of the legislation is for Department of Social Services to administer the fund and approve disbursements.

Oversight notes that this proposal would create a fund which shall consist of gifts, donations, transfers, bequests and moneys appropriated by the general assembly. Oversight assumes the fund would receive some gifts, etc, but Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund.

FISCAL IMPACT - State Government

FY 2007

FY 2008

FY 2009

GENERAL REVENUE FUND

<u>Costs--Transfer to the Healthcare Technology Fund</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
--	-----------------------------	-----------------------------	-----------------------------

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
---	------------------------------------	------------------------------------	------------------------------------

**HEALTHCARE TECHNOLOGY
FUND**

<u>Transfer in-Appropriation, gifts, donations, or bequests</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
---	-----------------------	-----------------------	-----------------------

<u>Costs - Department of Social Services Healthcare system costs*</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
---	-----------------------------	-----------------------------	-----------------------------

ESTIMATED NET EFFECT ON HEALTHCARE TECHNOLOGY FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	-------------------	-------------------

*Assume unknown transfers in-appropriations, gifts, donations, or bequests and unknown costs would net to \$0.

<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

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

DESCRIPTION

This proposal would create the health information technology fund in the State Treasury. The fund would include all gifts, donations, transfers, moneys appropriated by the general assembly, and bequests. The state treasurer would be custodian of the fund, and the fund would be administered by the Department of Social Services.

Upon appropriation, moneys in the fund would be used to promote technological advances to improve patient care, decrease administrative burdens, and increase patient and health care provider satisfaction. Such programs or improvements on technology would include encouragement and implementation of technologies intended to improve the safety, quality, and costs of health care services in the state. At least 25% of the funds annually disbursed shall be dedicated to technological upgrades and promotion of technological advances in medically under-served communities and populations. Moneys remaining in the fund at the end of the biennium would not revert to the general revenue fund except for the moneys that were gifts, donations, transfers, or bequests.

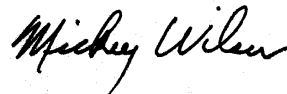
Funds from the Healthcare Technology Fund shall not be expended for political purposes and shall not be spent for the financial benefit of any elected public official or state employee with direct decision-making or administrative authority over disbursements from the fund.

Moneys cannot be spent from the fund for any products or services provided by any business where any elected public official or state employee with direct decision-making or administrative authority (1) has at least one-half of one percent of which is beneficially owned, (2) is a director, or (3) who is an executive officer or executive manager.

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 Social Services
Office of the State Treasurer
Office of Administration
 Division of Accounting
 Division of Budget and Planning
Office of Attorney General



Mickey Wilson, CPA
Director

L.R. No. 4455-02
Bill No. Perfected SCS for SB's 858 & 868
Page 6 of 6
February 9, 2006

February 9, 2006

CM:LR:OD (12/02)