

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4887-01
Bill No.: SB 1015
Subject: Health Care Professionals; Health, Public; Health Department
Type: Original
Date: February 24, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General	(Less than \$100,000)	(Less than \$100,000)	(Less than \$119,200)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$119,200)

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Professional Registration** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the cost of hepatitis C testing incurred by hospitals and nursing homes would be reflected in fiscal year 2007 Medicaid cost reports. Any increase to the hospital or nursing home program that may result due to this legislation is not expected to occur until SFY 11.

DMS states the cost impact to the hospital and nursing home program is unknown. Hospitals and nursing facilities are paid on a per diem rate for each day that the recipient is in the facility. For hospitals, the fourth prior year Medicaid cost report is used to establish the current fiscal year Medicaid rate. The cost increase for testing would start to appear in 2007 and would be reflected in rates in SFY 11. For nursing facilities, it is unknown when the cost from the Medicaid cost report will be used to establish a different rate. Rates will be trended instead of being based on a more current cost data.

For the health clinic program, there may be some impact in SFY 2009. DMS estimates it would be less than \$50,000. Clinic rates are established from the cost report data two years out. Rural

ASSUMPTION (continued)

health clinics are cost settled, which would mean the 2007 cost reports would be settled in 2009.

There would not be a fiscal impact on Missouri Medicaid programs that pays through a fee schedule.

Fiscal impact for the health clinic program:

Approximate number of employees:	2,900
Turnover rate:	25%
Approximate new employees:	725
Average billed charge for hepatitis C test:	\$107
Total costs:	\$77,575
Medicaid utilization for health clinics:	40%
Total Fiscal Impact:	\$31,030

Officials from the **Department of Health and Senior Services (DOH)** state this legislation would not be expected to fiscally impact the operations of DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Department of Mental Health (DMH)** state there are approximately 1,500 DMH health care workers "providers" employed each year. Cost of HCV initial test varies across the state. According to a local laboratory, the cost of HCV initial testing Enzyme Immunoassay (EIA) is approximately \$13 for Fulton State hospital employees. DMH states if that number is used for projecting costs for all DMH healthcare employees, the total would be \$19,500 annually (ex: 1,500 x \$13 = \$19,500).

The confirmatory test, Ribonucleic Acid (RNA), costs \$198 per test to confirm the positive EIA. Approximately 3% of EIAs will be positive (ex: 1,500x 3% = 45). Therefore, projected cost for confirmatory tests would be \$8,910 annually for DMH (ex: 45 x \$198 = \$8,910).

ADA providers bill DMH \$27 for this initial HCV testing. This proposal could require DMH providers to perform testing on their new employees if they fall under the definition of healthcare provider. Based on a survey of providers; turnover system wide in direct care staff is estimated at 92% annually for approximately 1,969 direct care staff at all contracted providers. Total estimated is 1,811 new employees each year times \$27 (cost to the division for 4 panel test for hepatitis C) for each new employee equals an estimated \$49,000 in additional cost just for ADA treatment providers.

ASSUMPTION (continued)

In addition, CPS & MRDD contract providers would also be required to perform HCV testing, and these costs could potentially be passed onto DMH.

Officials from the **St. Louis County Police Department**, the **Central County Fire & Rescue**, the **Taney County Ambulance District**, and the **Boone County Sheriff's Department** assume that there would be unknown costs to conduct the tests.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
---	---------------------	---------	---------

GENERAL REVENUE

Costs - Department of Social Services -
 Division of Medical Services

Program costs	\$0	\$0	(Less than \$19,200)
---------------	-----	-----	-------------------------

Costs - Department of Mental Health

Hepatitis testing	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
-------------------	----------------------------------	----------------------------------	----------------------------------

ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(LESS THAN \$100,00)</u>	<u>(LESS THAN \$100,000)</u>	<u>(LESS THAN \$119,200)</u>
--	--	---	---

FEDERAL

Income - Department of Social Services -
 Division of Medical Services

Program reimbursements	\$0	\$0	Less than \$30,800
------------------------	-----	-----	-----------------------

Costs - Department of Social Services -
 Division of Medical Services

Program costs	\$0	\$0	<u>(Less than \$30,800)</u>
---------------	-----	-----	---------------------------------

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
---	---------------------	---------	---------

LOCAL GOVERNMENTS

Costs

Hepatitis testing	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
-------------------	------------------	------------------	------------------

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS**

<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
------------------	------------------	------------------

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal provides that the department of health and senior services shall oversee Hepatitis C testing for health care providers and first responders. All health care providers and first responders offered employment after January 1, 2007, shall be tested for Hepatitis C before commencing their employment with the employer. The employer shall pay the cost of the testing.

Any test results obtained from such testing shall be confidential and shall not be disclosed except to the employee being tested and to the employer's human resources supervisor for inclusion in the employee's records.

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 Social Services
Department of Health and Senior Services
Department of Mental Health
Central County Fire & Rescue
Taney County Ambulance District
Boone County Sheriff's Department
St. Louis County Police Department



Mickey Wilson, CPA
Director
February 24, 2006