

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5384-01  
Bill No.: SB 1251  
Subject: Health Care; Health Department; Health, Public  
Type: Original  
Date: March 28, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$50,000 to (\$1,083,430)	\$61,800 to (\$1,276,083)	\$63,654 to (\$1,314,366)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$50,000 to (\$1,083,430)</b>	<b>\$61,800 to (\$1,276,083)</b>	<b>\$63,654 to (\$1,314,366)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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

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

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Missouri Department of Conservation**, the **Department of Social Services**, and the **Department of Insurance** assume this proposal would not fiscally impact their agencies.

Officials from the **Missouri Department of Transportation (DOT)** state this proposal would not have a fiscal impact on DOT/Missouri Highway Transportation Commission or on the DOT/Missouri State Highway Patrol medical plan.

DOT states, historically, DOT and the plan members have shared in any premium increases necessary because of increases in benefits. DOT states 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, DOT (commission) must make a decision on what portion they will provide. Until the commission makes a decision, DOT can only provide the cost to the medical plan.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the HCP HMO and Copay plans cover formula and low protein modified food products recommended by the physicians for treatment of Phenylketonuria (PKU) or any inherited disease of amino and organic acids with no age limitations. Therefore, this proposal does not fiscally impact HCP.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DOH)** state increasing the Metabolic Formula Program financial eligibility guidelines from 185% to 500%, and up to 750% on a sliding scale, of Federal Poverty guidelines, DOH anticipates that approximately 342 individuals eighteen years of age and younger would be eligible for this program after reviewing the prevalence rates for all conditions screened through Missouri's Newborn Screening Program. It is unlikely, but unknown, if all of these individuals will seek service from DOH based on medical needs or program eligibility. However, if all did seek services, the estimated cost to DOH in FY2007 would be \$1,082,430 (\$3,798 cost per served client as of 2-28-06 X 342 for the approximate ten month period of coverage). The cost for new eligible individuals could therefore range from \$0 to \$1,082,430.

As of March 8, 2006, the Metabolic Formula program has spent \$64,562 in fiscal year 2006 providing a metabolic diet for fifteen individuals enrolled in the program. Of the individuals enrolled, four are children under the age of eighteen and eleven are adults over the age of eighteen. This legislation would make the eleven adults currently being served ineligible for the program. As of March 8, 2006, the Metabolic Formula program has spent \$47,522 in fiscal year 2006 on these eleven adults, therefore DOH estimates a savings of approximately \$60,000 annually for individuals currently eligible for the program who would lose there eligibility if this legislation were enacted. DOH states any fees and premiums that will be received have not been reflected in the costs since the sliding fee scale and premiums will be established by DOH.

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

**GENERAL REVENUE**

Savings - Department of Health and Senior Services

Program savings	\$50,000	\$61,800	\$63,654
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Costs - Department of Health and Senior Services

Program costs	(\$0 to <u>\$1,082,430</u> )	(\$0 to <u>\$1,337,883</u> )	(\$0 to <u>\$1,378,020</u> )
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$50,000 to</u> <b><u>(\$1,083,430)</u></b></b>	<b><u>\$61,800 to</u> <b><u>(\$1,276,083)</u></b></b>	<b><u>\$63,654 to</u> <b><u>(\$1,314,366)</u></b></b>
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FISCAL IMPACT - Local Government

FY 2007  
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

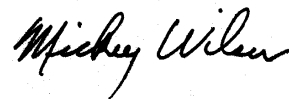
DESCRIPTION

This proposal modifies the provisions relating to the Metabolic Formula Distribution Program. Under current law, formula for the treatment of inherited diseases of amino acids and organic acids are provided to persons meeting certain criteria and an income-based means test determined by the Department of Health and Senior Services. This proposal would modify those provisions to provide that the formula shall be available to an applicant until the age of eighteen and only after the applicant has shown that he or she has exhausted all benefits from third party payers, including Medicare and Medicaid. Such assistance shall be provided to applicants whose income is below five hundred percent of the federal poverty level. For applicants whose income falls between five hundred percent and seven hundred and fifty percent of the federal poverty level, the Department shall establish a sliding scale of fees and monthly premiums to be paid in order to receive assistance.

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  
Department of Social Services  
Department of Insurance  
Missouri Department of Transportation  
Missouri Consolidated Health Care Plan  
Department of Health and Senior Services



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