

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0468-02
Bill No.: SB 80
Subject: Health Department; Health Care; Health Care Professionals
Type: Original
Date: January 19, 2007

Bill Summary: This proposal modifies provisions of the Metabolic Formula Distribution Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0 to (\$156,000)	\$0 to (\$192,816)	\$0 to (\$198,600)
Total Estimated Net Effect on General Revenue Fund	\$0 to (\$156,000)	\$0 to (\$192,816)	\$0 to (\$198,600)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan, Department of Social Services, Office of the State Courts Administrator, Department of Conservation, Department of Highways and Transportation** and the **Department of Insurance, Financial Institutions & Professional Registration** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Health and Senior Services (DHSS)** assume this proposal would eliminate coverage to children under the age of six. DHSS currently has one child enrolled in the program within this age group who receives minimal services from the program. Minimal savings would be expected from eliminating this age group from services at this time.

Cost estimate for children aged 6 through 18 years of age due to increased income eligibility guidelines:

Estimates are based on the number of Missouri children aged 6 through 18 years who may have one of the disorders covered through the DHSS Metabolic Formula Program, require treatment with metabolic formula, and are not covered by Medicaid.

This proposal will increase financial eligibility for this group from 185 percent of poverty to 300 percent of poverty. According to the 2006 Federal Poverty Level guidelines, the current poverty level for a family of four is \$20,000. Three hundred percent of the federal poverty level for a family of four is \$60,000. According to information in the 2000 Missouri Census, approximately 64% of Missouri households fall under the \$60,000 household income level.

Projected population: age 6 through 18 years of age	= 1,026,960
Individuals age 6 through 18 years of age enrolled in any Medicaid program	= <u>(305,318)</u>
Resulting population target group ages 6 through 18 years of age	= 721,642

ASSUMPTION (continued)

Metabolic Diseases Covered by Expanded Newborn Screening	Incidence	Projected Population Size	Expected Number In This Population Base
Phenylketonuria -PKU	1/15,000	721,642	48
Maple Syrup Urine Disease - MSUD	1/185,000 world wide 1/200 Mennonite population *	721,642	4
Homocystinuria	1/200,000	721,642	4
Citrullinemia	1/57,000	721,642	13
Argininosuccinic acidemia	1/250,000	721,642	3
Glutaric acidemia	1/40,000	721,642	18
Propionic acidemia	1/100,000	721,642	7
Methylmalonic acidemia	1/50,000	721,642	14
Isovaleric acidemia	1/230,000	721,642	3
3-hydroxy-3-methylglutaryl CoA lyase deficiency - HMG	unknown, rare	721,642	0
3-methylcrotonly CoA carboxylase deficiency – 3MCC	unknown, rare	721,642	0
			Total = 114

*Note: The Mennonite population was not included in the calculation for maple syrup urine disease as their numbers, based on religion, cannot be determined through Census data.

Based on the above information, an estimated 73 children (114 x 64% poverty rate = 73) would be eligible for metabolic services at 300 percent of the federal poverty level. DHSS currently serves 2 children ages 6 through 18 in the Metabolic Formula Program. Of the remaining 71 (73-2) included in this group, DHSS assumes approximately 10% or 7 children would not be eligible to receive formula provided by Medicaid or MC+, and would therefore be eligible to receive services through the DHSS Metabolic Formula Program. With an annual cost of \$7,800 per person per year for formula, expanding eligibility to this age group would cost up to \$54,600 (7 children x \$7,800).

ASSUMPTION (continued)

Considering the history of the program, the uncertainty of enrollment, the mix of third party payors, and the uncertainty of compliance (children taking formula regularly) it is difficult to determine how many of these new eligible children will actually enroll in the program, comply with the formula regimen, and incur a program expense. Therefore, DHSS estimates that program costs for this new group of eligibles will be between \$0 and \$54,600. The higher cost would be incurred if all estimated children would enroll and if they have no other means of payment for formula.

Cost estimate adults nineteen years and older due to increased income eligibility guidelines:

Although eligibility for adults nineteen years of age and over will not change in this legislation, DHSS is assuming that increased publicity for the program will occur if this legislation is passed. The increased publicity may encourage a number of adults that meet income eligibility to enroll in the program.

Projected population: 19 years of age and older	= 4,288,197
Individuals 19 years and older enrolled in Medicaid program	= <u>(357,483)</u>
Resulting population target group ages 19 years and older	= 3,930,714

ASSUMPTION (continued)

Metabolic Diseases Covered by Expanded Newborn Screening	Incidence	Projected Population Size	Expected Number In This Population Base
Phenylketonuria -PKU	1/15,000	3,930,714	262
Maple Syrup Urine Disease - MSUD	1/185,000 world wide 1/200 Mennonite population	3,930,714	21
Homocystinuria	1/200,000	3,930,714	20
Citrullinemia	1/57,000	3,930,714	69
Argininosuccinic acidemia	1/250,000	3,930,714	16
Glutaric acidemia	1/40,000	3,930,714	98
Propionic acidemia	1/100,000	3,930,714	39
Methylmalonic acidemia	1/50,000	3,930,714	79
Isovaleric acidemia	1/230,000	3,930,714	17
3-hydroxy-3-methylglutaryl CoA lyase deficiency - HMG	unknown, rare	3,930,714	0
3-methylcrotonyl CoA carboxylase deficiency – 3MCC	unknown, rare	3,930,714	0
			Total = 621

*Note: The Mennonite population was not included in the calculation for maple syrup urine disease as their numbers, based on religion, cannot be determined through Census data.

The federal poverty level under the present 2006 federal poverty level guidelines for a family of four equals \$20,000. Therefore 185% of the federal poverty level = \$37,000 or less (1.85 x \$20,000). According to information in the 2000 Missouri Census data, approximately 25% of Missouri households fall below 185% of the federal poverty level.

Based on the above information, an estimated 155 adults (621 x 25% = 155) would be eligible for metabolic services at 185 percent of the federal poverty level. DHSS currently serves 27 adults ages 19 and over in the Metabolic Formula Program, leaving an estimated 128 additional adults eligible for the program. Although eligibility guidelines will not be changed for this group, DHSS believes that due to publicity resulting from the passage of the legislation, up to 10% of the additional eligible adults will enroll in the program (128 x 10% = 13 new adults) if this legislation is passed and discussed in the healthcare community.

ASSUMPTION (continued)

With an estimated annual cost of \$10,200 per person per year for formula for this age group, DHSS estimates costs may increase up to \$132,600 (13 adults x \$10,200).

Considering the history of the program, the uncertainty of enrollment, the mix of third party payors, and the uncertainty of compliance (adults taking formula regularly), it is difficult to determine how many of these new eligible adults will actually enroll in the program, comply with the formula regimen, and incur a program expense. Therefore, DHSS estimates that program costs for this new group of eligibles will be between \$0 and \$132,600. The higher cost would be incurred if all estimated adults would enroll and if they have no other means of payment for formula.

The total cost for children and adults is estimated to be from \$0 to \$187,200 (\$0 to \$54,600 + \$0 to \$132,600).

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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GENERAL REVENUE FUND

<u>Costs - Department of Health and Senior Services</u>			
Program Cost	<u>\$0 to</u> <u>(\$156,000)</u>	<u>\$0 to</u> <u>(\$192,816)</u>	<u>\$0 to</u> <u>(\$198,600)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to</u> <u>(\$156,000)</u>	<u>\$0 to</u> <u>(\$192,816)</u>	<u>\$0 to</u> <u>(\$198,600)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

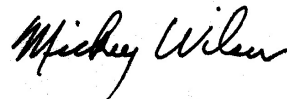
FISCAL DESCRIPTION

This legislation modifies 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 legislation modifies those provisions to provide that in addition to the current program for applicants above the age of nineteen, the formula shall be available to an applicant between the ages of six to eighteen whose family income is below three hundred percent of the federal poverty level.

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 Consolidated Health Care Plan
Department of Social Services
Office of the State Courts Administrator
Department of Conservation
Department of Highways and Transportation
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services



Mickey Wilson, CPA
Director
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