

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0595-01
Bill No.: SB 179
Subject: Health Care; Hospitals, Insurance - Medical; Medicaid
Type: Original
Date: February 12, 2007

Bill Summary: This proposal requires any applicant for health care benefits under a public assistance program to identify his or her employer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(Greater than \$67,580)	(Greater than \$37,580)	(Greater than \$37,580)
Total Estimated Net Effect on General Revenue Fund	(Greater than \$67,580)	(Greater than \$37,580)	(Greater than \$37,580)

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 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Federal	(Greater than \$62,420)	(Greater than \$62,420)	(Greater than \$62,420)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Greater than \$62,420)	(Greater than \$62,420)	(Greater than \$62,420)

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 **Department of Health and Senior Services, Missouri Senate, Department of Social Services - Children's Division and Legal Services** and the **Missouri House of Representatives** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Mental Health (DMH)** state the changes made by this proposal are not expected to affect the number of eligible persons served by DMH or the cost of providing covered services. The Department of Social Services is responsible for providing the reports required in this section, including information on clients of DMH. The implementation of this legislation would not cause any fiscal impact to DMH.

Officials from the **Department of Social Services - Division of Youth Services (DYS)** does not expect the division to be impacted by this proposal. Under current application practices, DYS identifies the employer of adults responsible for providing all or some of the youth beneficiary's support. Also, the DYS does not employ of the youth who may receive Medicaid benefits while in the division's care and custody.

Officials from the **Department of Social Services - Division of Budget and Finance (DBF)** assume the fiscal impact of this proposed legislation would be negligible. DBF assumed there would be very few requests for published documents given the availability of information on the DSS internet website. Those published documents that are requested would be provided through the Division of Legal Services via Sunshine requests. Requests for multiple copies would generate a fee equivalent to the costs incurred and, therefore, not generate added costs to the Division or Department.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Family Support Division (FSD)** state as a routine part of the Family Support Eligibility Specialists job, they collect data regarding the employer's name and location for each Medicaid beneficiary or any adult who is responsible, according to Medicaid policy, for providing all or some of the proposed beneficiary's support. The data is collected at the time of application and updated at each subsequent reinvestigation of the household's circumstances. Currently, this process is done in both FAMIS and Legacy systems, depending on the type of assistance requested by the claimant. Medicaid applications are currently registered in the Legacy system, but this process is changing. Family Medicaid applications are in the process of being taken in the FAMIS system, with the final FSD office converting from Legacy to FAMIS in October, 2007. Adult Medicaid applications will still be processed in the Legacy System, but eventually will be processed in the FAMIS system only. Because of Executive Order 06-45, ITSD and FAMIS have made changes to the Legacy and FAMIS systems to allow the recording of employer federal ID numbers, so that the requested reports can be generated to the legislature, and be made accessible on the DSS Internet site.

Because these system changes are currently being made in FAMIS, FSD does not anticipate any cost for SFY2008 for this proposal.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state DSS shall prepare a public assistance program beneficiary employer report to be submitted annually to the Governor and the General Assembly. For an employer with at least fifty employees and twenty-five or more public assistance beneficiaries, the report shall include: the employer's name and address; the number of beneficiaries; the number of beneficiaries who are spouses/dependents of the employer's employees; the employer's health insurance benefits offered, received and level of premiums; and the state's cost for providing public assistance to the employer's employees and enrolled dependents. The report shall be issued within thirty days of the end of the calendar year but not include the names of the beneficiaries.

The information for Medicaid assistance applicants would be obtained at the time of application with the Family Support Division (FSD). The information related to those requesting uncompensated care in a hospital would have to be obtained from the individual hospitals. The FSD would develop a reporting system to obtain this information from the hospitals. Some hospitals currently capture the beneficiary's employer but not in a uniform manner from which the information could be extrapolated. The new reporting system would require standardized input for reporting purposes.

ASSUMPTION (continued)

The DMS assumes that the FSD would be responsible for generating the required annual report, maintaining the Internet website, providing the requested copies, and developing a reporting system for the hospitals. DSS shall have the discretion to determine the appropriate cost and number of copies given.

The hospitals may require new staff to meet the reporting requirements of this proposed legislation. The additional administrative costs would be reflected on the hospital's cost report. The increase in the administrative costs would equate to an increase in the direct Medicaid payments made by the DMS to the hospitals. Therefore, the fiscal impact to the DMS would be an unknown cost of greater than \$100,000.

Officials from the **Department of Social Services - Information Technology Services Division (ITSD)** assume the division would have to build a secure internet application and database that would allow hospitals to enter employer information for patients requesting services but have no health insurance and will not provide payment. The internet page must also contain fields to capture employer information for employed adults that are responsible for the patient's support in those instances where the patient is not employed.

Build a Web Page for Hospitals to Report on Patients Requesting Services That Have No Insurance:

1. The web page will contain fields to collect the name and SSN of the beneficiary, the name of their employer, the name, SSN and relationship of the person responsible for the beneficiary's support if the beneficiary is not employed and the name of their employer and the vendor number for the hospital. Programming will attempt to find a dcn from the SSN. CICS/Web Aware or active server page -- number of hours = 80.
2. Secure hospital web interface with RACF security. Each hospital provides a pre-ASAP form to a DMS or FSD security officer. The security officer will complete ASAP (Automated Security Access Processing) forms on behalf of hospital staff needing access. ITSD security team will process the access requests and maintain the necessary security groups. Assuming 3,000 users at hospitals state-wide, time to process initial requests will be about 500 hours (3,000 X 10 min per request).
3. Create a DB2 database to capture and store information captured on the web page described in item #1. DBA hours = 40.

ASSUMPTION (continued)

4. ITSD is assuming that the contractor hired by DMS to provide list of employers with information on whether they offer insurance to employees and the cost of the insurance will provide that information for this bill. Zero hours.
5. Write program(s) and job(s) to validate employer information collected by hospitals. Since hospitals probably will not have employer id numbers, we will attempt to match on name and produce error report(s) for FSD policy staff. Estimated # of hours for design, code and test = 80.

Generate Annual Report to be Submitted to Governor and General Assembly:

1. Write program to combine data from hospitals, Income Maintenance Proof file and FAMIS Medicaid. Drop duplicates and produce single, integrated file to match against employer and insurance info file provided by DMS contractor. Estimated # of hours to develop = 80 for design, code and test.
2. Write program to match file produced in item #1 against Medical Claims files provided by DMS Medicaid claims vendor (IFOX) to obtain those employers that have more than 50 employees and more than 25 public assistance beneficiaries. Match on SSN when a DCN cannot be found. The report will include the name and address of the employer, the number of public assistance beneficiaries, the number of public assistance beneficiaries who are spouses or dependents of employees of the employer, whether the employer offers health insurance to employees and their dependents, whether the employee receives health insurance benefits through the company, the amount of the insurance premiums if they do receive health insurance benefits and the cost to the State of Missouri of providing public assistance benefits for the employer's employee's and enrolled dependents. Estimated # of hours to develop (design, code, test) = 160.
3. Publish the report through the DSS department internet site. Includes page giving descriptive information on the report and the report itself in a pdf format. Web Resources hours = 40.
4. Assumes information captured via IMU5 and stored on IM databases, proof and extract files for exec order 06-45 will be adequate for requirements of this bill. Estimated number of hours = 0.

ASSUMPTION (continued)

Total Hours:

Applications Development and Programming: 400 hours
 Cyber-security Services: 500 hours
 DBA Services: 40 hours
 Internet Publishing Services: 40 hours

Total Level of Effort = 980 hours

Database work (40 hours), Security Access Grants (500 hours) and Publishing the Report on the Internet (40 hours) would be done in-house by ITSD staff.

Due to existing demands on ITSD's applications development teams, ITSD would request one to two contractors for the web application and batch programming.

400 hours X \$75.00 per hour = \$30,000.

Programming will already be implemented to meet the remaining requirements of the bill that refer to public assistance applicants. Programming was started in early December 2006 to meet the requirements outlined in Executive Order of the Governor 06-45 signed on November 27, 2006. Programming will be implemented in the first calendar quarter of 2007.

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

Costs - Department of Social Services

Program costs (DMS)	(Greater than \$37,580)	(Greater than \$37,580)	(Greater than \$37,580)
Program costs (ITSD)	<u>(\$30,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DSS</u>	<u>(Greater than \$67,580)</u>	<u>(Greater than \$37,580)</u>	<u>(Greater than \$37,580)</u>

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>(Greater than \$67,580)</u>	<u>(Greater than \$37,580)</u>	<u>(Greater than \$37,580)</u>
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FEDERAL FUNDS

Costs - Department of Social Services
 Program costs (DMS)

<u>(Greater than</u> <u>\$62,420)</u>	<u>(Greater than</u> <u>\$62,420)</u>	<u>(Greater than</u> <u>\$62,420)</u>
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**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

<u>(Greater than</u> <u>\$62,420)</u>	<u>(Greater than</u> <u>\$62,420)</u>	<u>(Greater than</u> <u>\$62,420)</u>
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FISCAL IMPACT - Local Government

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

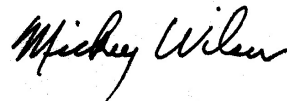
This legislation requires an applicant for benefits under the state Medicaid system, or any person requesting uncompensated care in a hospital, to identify his or her employer. The act also requires the Department of Social Services to submit to the General Assembly an annual report, starting in calendar year 2008, identifying all such identified employers who employ 25 or more public assistance program beneficiaries. There shall also be public access to the report through the department's Internet website.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Missouri Senate
Missouri House of Representative
Department of Social Services



Mickey Wilson, CPA
Director
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