

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1258-04
Bill No.: SS for SB 303
Subject: Children and Minors; Health Care; Health Care Professionals; Hospitals; Boards, Commissions, Committees, Councils
Type: Original
Date: April 13, 2007

Bill Summary: Changes the laws regarding midwives and the practice of midwifery.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Board of Direct-Entry Midwives	\$0	\$84,040	(\$2,524)
PR Fees	(\$5,246)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$5,246)	\$84,040	(\$2,524)

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 **Office of State Courts Administrator, Department of Health and Senior Services, Department of Revenue, Missouri Senate, and Office of State Treasurer** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Social Services (DOS)** state current policy does not allow payment to be made from Missouri Medicaid to direct-entry midwives. Only certified nurse midwives who hold current registered nurse licenses are eligible for reimbursement. Therefore, the proposal will have no fiscal impact on the DOS.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate this legislation will not significantly alter its caseload. However, if other similar bills also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Office of Attorney General (AGO)** state the proposal creates a new licensing board within the Division of Professional Registration. The Board has the power to license, place limitations on licensees and discipline licenses. The AGO assumes it would need 0.5 FTE Assistant Attorney General (AAG) I to assist the Board in the rule-making process, licensing and appearances before the Administrative Hearing Commission. The AGO estimates FY 08 costs of \$29,149; FY 09 costs of \$31,069; and FY 10 costs of \$32,001.

Oversight assumes the AGO would not hire 0.5 FTE AAG I and would absorb the additional duties with existing resources. However, if other proposals pass that require the AGO to assist Division of Professional Registration boards, the AGO may request additional funding through the appropriations process.

Officials from the **Office of Prosecution Services (OPS)** state any increase in the number of cases referred for criminal prosecution will have an additional fiscal impact on County Prosecutors. However, officials from the OPS are not aware of any estimates of the number of additional criminal cases that would be referred to County Prosecutors for charges because of this proposed legislation. Additionally, the OPS is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to County Prosecutors for charges. Therefore, it is not possible to determine if this proposal would have a significant direct fiscal impact on county prosecutors or the OPS.

Oversight assumes the OPS could absorb a minimal increase in cases. If the number of cases increases substantially, the OPS could seek additional funding through the appropriations process.

ASSUMPTION (continued)

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the 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 the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs 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 Public Defender (SPD)** assume the new crime will create new cases for the SPD. The exact number of cases affected is too uncertain to provide a definitive dollar amount of fiscal impact. Nevertheless, there will some impact.

Since the amount of impact is so uncertain, the SPD is assuming existing staff will probably be able to provide representation in these cases initially. However, once the true fiscal impact is determined, the SPD will reassess the impact of the legislation. Passage of more than one bill increasing existing penalties or creating new crimes would require increased appropriations for the SPD.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 06 average of \$2.52 per offender, per day or an annual cost of \$920 per offender per year).

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** state based on information from the National American Registry of Midwives it is estimated there are 25 individuals that will be required to be licensed.

The projected revenue reflects an initial three year licensing fee of \$3,600 per licensee that will begin being collected in FY 09. A 3% growth rate is estimated.

ASSUMPTION (continued)

It is assumed that all fees collected would be deposited into a fund for the Board of Direct-Entry Midwives and that all expenses would be paid out of that fund. It is assumed no revenue will be generated by the Board of Direct-Entry Midwives in FY 08. Therefore, expenses incurred by the board in FY 08 will be paid from a lending board within the division, pursuant to 620.106, RSMo. It is estimated that payback of any outstanding loans would be made in FY 11.

The proposed legislation will create the need for 0.5 FTE as follows: a Licensure Technician II (0.5 FTE salary \$23,916 a year) will be needed to provide technical support, process licensure applications and responding to inquiries relating to licensure laws, rules and regulations.

Expenses and equipment costs are based on information from boards for like sized licensee base. Printing, Postage and Board Meeting costs are based on costs incurred for boards of similar size. It is assumed that the board will meet one time per year for two days.

Oversight assumes the DIFP will not hire 0.5 FTE Licensure Technician II and the duties involved with this position will be absorbed by existing staff. As a result, additional equipment will also not be needed. **Oversight** assumes if the number of direct-entry midwives licensees increases substantially, the DIFP could request additional funding through the appropriations process.

Officials from the **Office of the Governor (GOV)** did not respond to our request for a statement of fiscal impact. However, in response to a previous version of this proposal, the GOV assumed the proposal would have no fiscal impact on their organization.

This proposal will result in an increase in total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
BOARD OF DIRECT-ENTRY MIDWIVES FUND			
<u>Transfer-In - DIFP</u>			
Transfer from PR Fees Fund	\$5,246	\$0	\$0
<u>Income - DIFP</u>			
Licensure Fees/Renewals	\$0	\$90,000	\$3,600
<u>Costs - DIFP</u>			
Board member per diem (5)	(\$250)	(\$250)	(\$250)
Board meetings and other expenses	<u>(\$4,996)</u>	<u>(\$5,710)</u>	<u>(\$5,874)</u>
Total <u>Costs</u> - DIFP	<u>(\$5,246)</u>	<u>(\$5,960)</u>	<u>(\$6,124)</u>
ESTIMATED NET EFFECT ON BOARD OF DIRECT-ENTRY MIDWIVES FUND	<u>\$0</u>	<u>\$84,040</u>	<u>(\$2,524)</u>
PR FEES FUND			
<u>Transfer-Out - DIFP</u>			
Transfer to Board of Direct-Entry Midwives Fund	<u>(\$5,246)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$5,246)</u>	<u>\$0</u>	<u>\$0</u>
 <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

The proposal would have a direct fiscal impact on direct-entry midwives.

FISCAL DESCRIPTION

This proposal creates a "Board of Direct-Entry Midwives" within the Division of Professional Registration. The board shall have the power to issue licenses and to suspend, revoke or deny the license of a direct-entry midwife.

This proposal provides that it shall be unlawful for any person to engage in the practice of direct-entry midwifery unless such person is licensed as a direct-entry midwife under the provisions of this proposal. Also, any person who violates the provisions of this proposal is guilty of a Class A misdemeanor.

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

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
 General Services/Risk Management
Office of State Courts Administrator
Department of Insurance, Financial and Professional Regulation
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Social Services
Office of Prosecution Services
Missouri Senate
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer

NOT RESPONDING: Office of the Governor



L.R. No. 1258-04
Bill No. SS for SB 303
Page 8 of 8
April 13, 2007

Mickey Wilson, CPA
Director
April 13, 2007