

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1477-01
Bill No.: SB 274
Subject: Health Care; Medicaid; Medical Procedures and Personnel
Type: Original
Date: February 5, 2007

Bill Summary: This proposal creates the Healthcare Technology Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$53,995 to Unknown)	(\$49,740 to Unknown)	(\$51,232 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$53,995 to Unknown)	(\$49,740 to Unknown)	(\$51,232 to Unknown)

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

*Assume potential transfers in-appropriations, gifts, or donations.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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 Senate, Office of the State Courts Administrator, Office of the Attorney General, Department of Health and Senior Services, Missouri House of Representatives** and the **Office of Administration** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and 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 office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of the State Treasure (STO)** state they only ensure the disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. The STO suggests the following wording change: "The state treasurer shall be custodian of the fund. In accordance with Sections 30.170 and 30.180 RSMo, the state treasurer may approve disbursements"

If the wording isn't changed, STO will need an FTE (Accounting Specialist I - \$39,324 plus \$17,762 fringe = \$57,086) to monitor these disbursements. (This will be allocated proportionately as a retention of interest earnings on state funds in accordance with Section 30.605 RSMo)

ASSUMPTION (continued)

Oversight has, for fiscal note purposes only, changed the starting salary for the STO position to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Department of Social Services (DSS) - Division of Medical Services (DMS)** assume this proposal requires the DSS to administer the Healthcare Technology Fund. The DMS does not anticipate a fiscal impact beyond the budget request.

Oversight notes that this proposal would create a fund which shall consist of gifts, donations, transfers, and moneys appropriated by the general assembly. Oversight assumes the fund would receive some gifts, etc, but Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund. Since this would be based upon an appropriation, Oversight will reflect the funding as a \$0 (no appropriation) to an unknown amount.

<u>FISCAL IMPACT - State Government</u>	FY 2008	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Transfer Out--Transfer to the Healthcare Technology Fund*</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<u>Costs - Office of the State Treasure</u>			
Personal Services	(\$33,038)	(\$34,029)	(\$35,050)
Fringe Benefits	(\$14,953)	(\$15,402)	(\$15,864)
Equipment and Expense	<u>(\$6,004)</u>	<u>(\$309)</u>	<u>(\$318)</u>
<u>Total Costs - STO</u>	<u>(\$53,995)</u>	<u>(\$49,740)</u>	<u>(\$51,232)</u>
FTE Change - STO	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$53,995 to Unknown)</u>	<u>(\$49,740 to Unknown)</u>	<u>(\$51,232 to Unknown)</u>
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE

**HEALTHCARE TECHNOLOGY
 FUND**

<u>Transfer in</u> -Appropriation, gifts or donations*	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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Costs - Department of Social Services Healthcare system costs	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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**ESTIMATED NET EFFECT ON
 HEALTHCARE TECHNOLOGY
 FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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*Assume potential transfers in-appropriations, gifts, or donations.

<u>FISCAL IMPACT - Local Government</u>	FY 2008	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 proposal establishes the Healthcare Technology Fund, which shall be administered by the Department of Social Services.

Upon appropriation, moneys in the fund shall be used to promote technological advances to improve patient care, decrease administrative burdens, and increase patient and health care provider satisfaction. Any programs or improvements on technology shall include encouragement and implementation of technologies intended to improve the safety, quality and costs of health care services in the state.

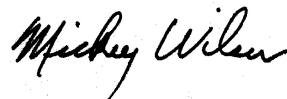
The Department of Social Services shall promulgate rules setting forth the procedures and methods for implementing the provisions the section.

This legislation contains an emergency clause.

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 the Secretary of State
Office of the State Treasure
Missouri Senate
Office of Administration
Office of the State Courts Administrator
Office of the Attorney General
Department of Health and Senior Services
Missouri House of Representatives
Department of Social Services



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Director
February 5, 2007