

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4634-04  
Bill No.: Perfected SCS for SB 1081  
Subject: Mental Health; Mental Health Dept.; Disabilities; Taxation and Revenue -  
 General  
Type: Original  
Date: April 14, 2008

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Bill Summary: Modifies provisions regarding quality assurance and safety in the Division of Mental Retardation and Developmental Disabilities Community Programs.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$0*	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0*</b>	<b>\$0</b>	<b>\$0</b>

\* Transfers to and from General Revenue equal \$4.3 million and net to \$0.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0*</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expenditures for FY 09 equal \$2.7 million and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Department of Social Services, Office of State Courts Administrator, Department of Public Safety (DPS) - Director's Office, Department of Revenue, Office of State Treasurer, and DPS - Missouri State Highway Patrol** assumes the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Mental Health (DMH)** state the proposal removes Section 633.300.2(2) relating to all mental health workers being compensated by the employer in an amount equal to the average hourly wage paid by the state to mental health workers. Therefore, the proposal has no fiscal impact on the DMH.

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

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules 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 **COA - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP.

This proposal expands who is required to register with the family care safety registry, which will increase deposits to the Criminal Records System Fund. This will increase total state revenue.

SB 1081 requires that beginning July 1, 2008, Intermediate Care Facilities for the Mentally Retarded (ICF-MRs) in this state must pay an ICF-MR provider reimbursement based on a formula set forth in promulgated rules. This new provider tax will count toward the 18(e) limit.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DOH)** provide the following assumptions regarding the proposed legislation:

**Sections 210.900 – 210.927 (part of the Family Care Safety Act):**

These sections of the proposal require individuals working in any private mental health facility or group home, as defined in section 633.005, RSMo, and any person employed by a mental health provider or group home to register with the Family Care Safety Registry as of 01/01/2009.

The Department of Mental Health (DMH) provided the estimate of 27,000 mental health workers. The Family Care Safety Registry estimates that one Health Program Representative (HPR) and 0.5 Office Support Assistant (Keyboarding) (OSA) are required to process 12,000 registrations each year. Therefore, two HPR FTE and one OSA FTE are needed to process the additional applications as a result of this legislation ( $27,000 \times 0.80$  annual turnover rate = 21,600.  $21,600/12,000 = 1.8$ .  $1.8 \times 1.5 = 2.7$  FTEs rounded up to equal 3 FTE's).

Postage costs to notify the mental health workers of their background screening results is estimated at 36 cents per mailing, or  $21,600 \times .36 = \$7,776$  annually.

DOH assumes the Department of Public Safety (DPS) will include the estimates for increased revenue into their fund.

# Additional information provided by the DMH to the DOH is resulting in an updated fiscal impact. The DOH has learned there will be no additional individuals needing to be registered on the Family Care Safety Registry as they are currently required to register according to the DMH contracts. Therefore, this section has no fiscal impact on the DOH.

**Division of Senior and Disability Services (DSDS)**

**Sections 210.903, 210.906, and 210.909:**

The DSDS assumes the number of contracted provider complaints may increase due to the additional requirement to register as a “mental health worker” on the Family Care Safety Registry (FCSR), and violations of this requirement. However, at this time, the increase will most likely be able to be absorbed by current staff.

ASSUMPTION (continued)

**Section 630.165:**

The DSDS assumes that the calls of reports of abuse or neglect in private group homes and health facilities would be received by the Central Registry Unit (CRU) hotline in the DSDS and referred to the Department of Mental Health (DMH) for investigation by DMH staff as required in section 630.167.

The DSDS cannot estimate at this time the increase in the volume of phone calls that will result from the expanded utilization of the CRU hotline. A significant increase would result in additional staff needs. In FY 07, 17.97 staff were assigned to the CRU hotline. Those 17.97 FTE received a total of 71,811 calls, reports, or referrals. 19,918 (27.7%) of those calls were reports of abuse, neglect, or financial exploitation (A/N/E) of non-institutionalized elderly or disabled persons. The ratio of A/N/E reports averaged 1,108 (19,918 calls/17.97 FTE) per FTE per year. Presently, the CRU is receiving a significant portion of mental health related calls. The DSDS would defer to the DMH to determine an estimate of increased call volume due to this proposal and will, at this time, assume that call volume increases will be absorbed by current staff. However, if the increase is substantial (i.e. greater than 1,108 calls/year), the DSDS would need to request funds and FTE to ensure proper handling of A/N/E reports to the CRU hotline.

**Oversight** assumes that current staff will absorb additional hotline calls and the DOH-DSDS will not need an unknown increase in staff. However, if this were to change, the DOH could request additional funds through the appropriations process.

**Section 630.167:**

Additionally, while the DSDS assumes that this legislation would require that all investigations involving DMH “clients” as defined in 630.005(4) would be conducted by the DMH, it is presently unknown how many investigations will be referred to the DMH. The DSDS, through Section 660.261, RSMo, has the ability to refer investigations of abuse and neglect to appropriate agencies.

The DSDS assumes that the revision of the definition of “client” will add to the number of investigations that will be referred to the DMH for investigation or action. The DSDS policy states that Division staff will investigate in all cases where a referral is not able to be made. With the assumed increase in calls to the CRU, the DSDS does note that the number of referrals to the DMH for investigation would have to increase significantly to have a net decrease effect on HCS investigative FTE needs by the Division.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>GENERAL REVENUE FUND</b>			
<u>Transfer-Out</u>			
Transfer to ICF-MR FRA Fund	(\$4,300,000)	\$0	\$0
<u>Transfer-In</u>			
Transfer from ICF-MR FRA Fund	\$4,300,000	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - DMH</u>			
Increase in program reimbursements	\$2,700,000	\$0	\$0
<u>Costs - DMH</u>			
Increase in program expenditures	<u>(\$2,700,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

The proposal would impact small business mental health providers if they are not currently performing background checks. In addition, all small business community providers will be subject to the same training requirements established for state mental health workers.

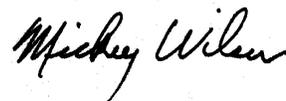
FISCAL DESCRIPTION

This proposal also provides that beginning July 1, 2008, each Intermediate Care Facilities-Mentally Retarded Facilities (ICF-MR) in this state must pay, in addition to all other fees or taxes required by law, a ICF-MR provider reimbursement based on a formula set forth in rules promulgated by the Department of Social Services. The provisions relating to the provider reimbursement allowance shall expire on June, 30, 2009.

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 Administration -  
    Administrative Hearing Commission  
    Division of Budget and Planning  
Office of State Courts Administrator  
Department of Mental Health  
Department of Health and Senior Services  
Department of Revenue  
Department of Social Services  
Department of Public Safety -  
    Director's Office  
    Missouri State Highway Patrol  
Office of Secretary of State  
Office of State Treasurer



Mickey Wilson, CPA  
Director

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