

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4634-06
Bill No.: Truly Agreed To and Finally Passed HCS for SCS for SB 1081
Subject: Mental Health; Mental Health Dept.; Disabilities; Taxation and Revenue -
 General
Type: Original
Date: June 4, 2008

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

FISCAL SUMMARY

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

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

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

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

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 **COA - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP. The Department of Mental Health should provide the estimate of possible increased costs and revenues to the state as a result of this proposal.

The 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-MR) 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.

Officials from the **Department of Mental Health (DMH)** state provisions of this legislation are subject to appropriation or are being paid by non-state sources. Therefore, the proposal has no fiscal impact on the DMH.

Officials from the **Department of Health and Senior Services (DOH)** state Section 210.900 to 210.927 (part of the Family Care Safety Act) require individuals working in any private mental health facility or group home, as defined in Section 633.005, RSMo, an any person employed by a mental health provider or group home to register with the Family Care Safety Registry as of January 1, 2009. Based on information from the DMH, the DOH believes that the majority of these individuals are already registered with the Family Care Safety Registry. Therefore, the DOH assumes this proposal will have no fiscal impact on the department.

ASSUMPTION (continued)

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 **Office of Attorney General (AGO)** state this proposal requires group homes and private mental health facilities to follow the same requirements as state-run facilities (Section 633.300). Under existing statute, the AGO may be directed to file petitions for the temporary care and protection of abused or neglected residents (Section 630.167.2).

The AGO assumes that because the facilities and programs to which state law now applies has increased, there will be a corresponding increase in caseload, research and travel time. As a result, the AGO assumes that it would need one (1) Assistant Attorney General (AAG) II to pursue these violations. The AGO assumes FY 09 costs of \$64,198; FY 10 costs of \$77,694; and FY 11 costs of \$80,023.

Oversight assumes the AGO is already performing the duties required by this proposal. Under current statute, the AGO may be directed to file petitions for the temporary care and protection of abused or neglected residents, as well as filing injunctions and penalties when violations occur at facilities. **Oversight** assumes this already includes residents in private facilities and that there will be no increase in the AGO's responsibilities or workload.

FISCAL IMPACT - State Government FY 2009 FY 2010 FY 2011

GENERAL REVENUE FUND

Transfer-Out

Transfer to ICF-MR FRA Fund	(\$4,300,000)	\$0	\$0
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Transfer-In

Transfer to ICF-MR FRA Fund	<u>\$4,300,000</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FEDERAL FUNDS

Income - DMH

Increase in program reimbursements	\$2,700,000	\$0	\$0
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Costs - DMH

Increase in program expenditures	<u>(\$2,700,000)</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government FY 2009 FY 2010 FY 2011

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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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

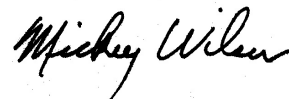
This proposal also provides that beginning July 1, 2008, each Intermediate Care Facilities-Mentally Retarded Facilities (ICF-MR) in this state must pay, in addition to all other fees or taxes required by law, a ICF-MR provider reimbursement based on a formula set forth in rules promulgated by the Department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

The proposal 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 Attorney General
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 -
 Missouri State Highway Patrol
Office of Secretary of State
Office of State Treasurer



Mickey Wilson, CPA
Director
June 4, 2008