COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5271-09
Bill No.: Perfected SS for SCS for SB 1283
Subject: Health Care; Health, Public; Health Department; Boards, Commissions, Committees, Councils; Insurance-Medical; Insurance Department
Type: Original
Date: April 24, 2008

Bill Summary: This legislation creates the Missouri Health Transformation Act.

Section 191.845 will sunset in six years. Section 376.025 will expire in six years unless re-authorized by the General Assembly.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(Unknown but Greater than $40,086,477)	(Unknown but Greater than $64,428,928)	(Unknown but Greater than $64,622,903)
Total Estimated Net Effect on General Revenue Fund	(Unknown but Greater than $40,086,477)	(Unknown but Greater than $64,428,928)	(Unknown but Greater than $64,622,903)

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 45 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Tobacco Use Prevention, Cessation and Enforcement Trust Fund*	$0	$0	$0
Health Transformation Fund**	$0	$0	$0
Missouri Free Clinics Fund***	$0	$0	$0
Health Care Technology	($400,000)	($400,000)	($400,000)
Federal Reimbursement Allowance Fund	($37,338,886)	($75,802,829)	($110,577,244)
Total Estimated Net Effect on Other State Funds	**($37,738,886)**	**($76,202,829)**	**($110,977,244)**

*Income and costs of approximately $13 million would net to $0.
**Income and costs of Unknown would net to $0.
***Income and costs of $500,000 in FY09 would net to $0.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	**(Unknown but Greater than $100,000)**	**(Unknown but Greater than $100,000)**	**(Unknown but Greater than $100,000)**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	Unknown but Greater than 18.53 FTE	Unknown but Greater than 20.03 FTE	Unknown but Greater than 18.53 FTE
Tobacco Use Prevention, Cessation and Enforcement	2 FTE	2 FTE	2 FTE
Federal	1.22 FTE	1.22 FTE	1.22 FTE
Total Estimated Net Effect on FTE	**Unknown but Greater than 21.75 FTE**	**Unknown but Greater than 23.25 FTE**	**Unknown but Greater than 21.75 FTE**

☒ 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	**$10,500,000**	**$10,500,000**	**$10,500,000**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety**, **Missouri Senate**, **Budget and Planning Division**, **Department of Economic Development**, **Department of Higher Education**, **Legislative Research - Oversight Division**, **Department of Labor and Industrial Relations** and the **Department of Natural Resources** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a previous version of this proposal, officials from the **Missouri Governor's Office**, **Office of the Lieutenant Governor**, **Missouri House of Representatives** and the **Department of Agriculture** each assume the proposal would have no fiscal impact on their respective agencies.

In response to a previous version of this proposal, officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Missouri State Highway Patrol (MSHP)** assumes the proposal states that subject to appropriations, the "Insure Missouri" plan is hereby established. However, it does not specify the amount of that funding or how it would be determined.

The state currently pays a portion of each employee's health insurance premium. Without knowing how the new funding would be determined, there is no way to estimate whether this amount would increase or decrease. It does seem safe to assume that it would not be exactly identical to the current amount paid, though, which is why the Patrol assumes an unknown impact.

Oversight assumes any increase or decrease in the amount the state pays for employee's health insurance premium cannot be determined. Therefore, the fiscal note does not reflect any fiscal impact to the MSHP.

In response to a similar proposal from this year (SB 1015), officials at the **Office of Administration** assume this proposal decreases state tax withholdings from state employees and increases savings in FICA employer fringe. The current fringe savings is calculated by taking the current amount of health care deductions not being withheld tax free through the cafeteria plan X 7.65% for FICA match (employer share) which is equal to $550,000 in FY 2009, $1,100,000 in FY 2010 and $1,100,000 in FY 2011.

ASSUMPTION (continued)

The current state tax withheld is calculated by taking the same amount X 6% state tax rate which is equal to $400,000 in FY2009, $800,000 in FY 2010, and $800,000 in FY 2011.

Officials from the **Department of Mental Health** assumes the Division of ADA will continue to receive tobacco funds. However, if the Division of ADA tobacco funds are a part of the first $5M used toward the "Tobacco Use Prevention and Cessation Trust Fund" then the cost would have an unknown impact upon the Substance Abuse Prevention and Treatment programs. Failure to fund these programs will also jeopardize the Division's federal Block Grant funding because of reduced maintenance of effort.

Section 33.103.2 (7) allows the Commissioner of Administration to deduct cafeteria plan administrative fees. DMH defers to Office of Administration to calculate fiscal impact.

Sections 191.1005 defines "insurer" to include the state of Missouri and requires significant data collection around quality and performance measures. DMH understands that both the Department of Health and Senior Services and Department of Social Services assumed they would be required to collect and report on quality and performance measures and estimated costs associated with this provision. Therefore, DMH assumes a cost of greater than $100,000 for a contract to meet the standards established in Section 191.1005.

Provisions contained in this bill will create additional work for the Department in preparing reports (shifting demographics study). These costs cannot be quantified.

On the other hand, some provisions contained in this bill can be expected to create a savings for the Department. It is assumed that the DMH currently serve individuals who do not have health insurance and who would be eligible for services under the provisions of 208.133 - 208.1345 (Insure Missouri) above. That coverage could create a savings for the Department. It is not known how many individuals would be affected or what services they might receive through the Insure Missouri program therefore the projected savings are unknown.

Section 208.1345 states that MO HealthNet shall apply to the United States Department of Health and Human Services for approval of a Section 1115 demonstration waiver and/or a Medicaid state plan amendment to develop and implement the plan, "provided that any reduction of disproportionate share hospital funds applied to the cost of the program as required by such waiver shall not be disproportionate to the impact the program has on Missouri's low income uninsured." DMH assumes this language will not impact the DMH disproportionate share collections generated by the DMH.

ASSUMPTION (continued)

Senate Amendment 7 (5271S09.27S) - This amendment requires all health carriers to reimburse services provided through telehealth in the same manner they would reimburse a standard office visit. DMH assumes that there could be a minimal fiscal savings for telehealth services DMH currently provides because DMH might receive reimbursement from insurance. This savings would not change the Department's overall fiscal impact.

Overall, the fiscal impact (overall cost) is unknown but greater than $100,000.

Officials from the **Department of Corrections (DOC)** assumes the proposal appears to have no fiscal impact for the DOC, however it is unknown what rules and regulations may be promulgated by the created cabinet. It is assumed that if tracking of employee issues or some similar function would be implemented by the cabinet, that OA Personnel would address any resulting fiscal impact on behalf of the agencies.

Officials from the **Department of Highways and Transportation (DHT)** assume the vast majority of the provisions in this bill will not have an impact upon DHT, Missouri State Highway Patrol (MSHP) or on the DHT/MSHP medical plan. The only provision that could have any fiscal impact on the Plan is section 191.1321. This section requires health care providers, health care facilities and health insurers to provide certain information to the Department of Health and Senior Services so that the Department has the necessary data to carry out its duties. The parameters of the data requests will be developed by DHSS through administrative rules, so it is not yet clear exactly what sort of information health insurers, including the MoDOT/MSHP medical plan, would be required to provide. However, the statute states that such information may include (but is not limited to) claims, premium, administration and financial information.

Whether or not this provision would have a fiscal impact upon the Plan would depend up the type of information requested and whether or not reports providing such information are already prepared. The Plan may be responsible for costs to vendors to prepare reports outside the parameters of their contracts.

Oversight assumes the DHT could absorb the cost of section 191.1321 related to this proposal. Oversight assumes any significant increase in the workload of the DHT would be reflected in future budget request.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the following:

ASSUMPTION (continued)

Section 26.853:
This section will result in insignificant travel expenses.

Section 167.182:
Fall enrollment for girls in grade six for 2005-2006 school year was 34,834. Local school districts would be required to provide to the Department of Health and Senior Services the names and addresses of all parents and guardians of female students who are entering grade six. DESE assumes this proposal will result in administrative costs to local school districts; however, those costs are not likely to be significant.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the Department will need to request additional staff to handle increase in workload.

Section 192.631:
The proposal would have no fiscal impact on the DESE. Local school districts will incur unknown administrative costs to track and record the vaccinations.

Oversight, assumes the local school districts could absorb the costs to track and record the vaccinations.

Officials from the **Department of Revenue** states the following:

Customer Assistance would require - One Tax Collection Technician I for every 15,000 calls a year on the income tax phone line. One Tax Collection Technician I for every 24,000 calls a year to the delinquency phone line and four Tax Processing Technician I for every additional 4,800 contacts in the field offices (Taxation anticipates most customers will contact the Department via phone, therefore, the Department will only request 1 Full Time Employee for each of the larger field offices including Kansas City, St. Louis, and Springfield)

Office of Administration Information Technology (ITSD/DOR) estimates that this legislation could be implemented utilizing 1 existing CIT III for 2 months for modifications to MINITS and 3 existing CIT III for 1 month for modifications to the corporate systems. The estimated cost is $20,930. ITSD/DOR estimates the information technology portion of this request can be accomplished within existing resources. However; if priorities shift, additional FTE/overtime would be needed to implement.

ASSUMPTION (continued)

Personal Tax would require -

Section 143.116
- 2 Temporary Tax Employees for key entry
- 1 Tax Processing Technician I for every additional 19,000 returns to be verified
- 1 Tax Processing Technician I for every additional 2,400 pieces of correspondence generated

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** states that currently MCHCP covers the following preventative services at 100%: Annual Physical Exam/Wellness Exam, Immunizations, Mammograms, Outpatient Diagnostic Lab and X-Rays, Pap Smears, Prostate Cancer Screenings, Colorectal Screenings, Colonoscopy and Sigmoidoscopy Screenings, and Well Child Care.

The U.S. Preventive Services Task Force (USPSTF) has graded a listing of preventive services with an "A" (strongly recommended) or a "B" (recommended) grade. These "A" and "B" graded services could be regularly charged for counseling but some of the services also include tests and/or procedures which will add cost. Total cost at this point in unknown, but could easily be in excess of $100,000.

Officials from the **Department of Health and Senior Services (DHSS)** state the following:

Section 8.365:
Requires the Office of Administration, in consultation with the DHSS to submit a report to the Governor and General Assembly by December 31, 2008 detailing the opportunities for the state to implement a minimum health promotion standard for construction or substantial renovation of a state building. The Department assumes that current staff will absorb this responsibility.

Section 26.853:
Creates the Missouri Health Cabinet to ensure that the public policy of this state relating to health is developed to promote interdepartmental collaboration and program implementation in order that services designed for health are planned, managed, and delivered in a holistic and integrated manner to improve the health of Missourians. One of the duties of the cabinet is to create a health impact statement for evaluating proposed legislation, requested appropriations, and programs. It is not stated in the legislation that the Department would be required to assist the cabinet in creating the health impact statement for each proposed legislation, but if this would be required, additional staff would be needed in the department's Governmental Policy and Review Unit and the Budget Services and Analysis Unit to meet this demand.

ASSUMPTION (continued)

Section 26.859:
Eliminates the State Boards of Health and Senior Services and replaces them with the "Health Policy Council". DHSS assumes no fiscal impact for this section.

Section 26.900:
Creates a workgroup made up of representatives from leadership staff of all state departments to review each Department's major policies, programs, etc. in light of increasingly older and more diverse populations; and develop a policy brief by September 1, 2009 (updated annually) that highlights critical functions and issues affected by shifting demographics that should be addressed in the next ten years.

The Department assumes that both the Division of Regulation and Licensure (DRL) and the Division of Senior and Disability Services (DSDS) would play a significant role in complying with this section. The amount of staff time required is unknown at this time. DSDS would require a consultant to complete the review and policy brief. This consultant services would be contract via a request for proposal and assumes a cost of greater than $100,000 annually, funded from General Revenue. DRL estimates that the amount of staff time required is unknown but is assumed it could be accomplished with existing staff.

Section 167.182:
This section provides that female students enrolling in sixth grade may receive, at the option of a parent or guardian, an immunization for HPV. The Department of Health and Senior Services shall directly mail age appropriate information to parents or guardians of female students entering the sixth grade regarding the connection between HPV and cervical cancer and the availability of the HPV immunization. The information shall include the risk factors for developing cervical cancer, the connection between HPV and cervical cancer, how it is transmitted and how transmission can be prevented, the latest scientific information and the immunization's effectiveness, information about the importance of pap smears, and a statement explaining that questions from parents or guardians may be answered by a health care provider.

Each mailing shall request that the parents of female students entering sixth grade voluntarily furnish a written statement, not later than 20 days after the first day of school, stating that they have received the information and that the student has received the immunization or the parents have decided not to have the student immunized. DHSS shall submit a report to the general assembly about the number of female students who have and have not been immunized against HPV and the number of non-responses to the written statement. The information will be analyzed and will be used for statistical purposes only.

ASSUMPTION (continued)

Staffing requirements consist of one FTE (0.5 Public Health Consultant Nurse and 0.5 Health Program Representative II), to perform the following functions:

- Develop the plan to prescribe to schools for gathering names and addresses of all parents and guardians of female students entering sixth grade;
- Set up a data receiving mechanism to enter data received from each school district regarding student enrollment;
- Determine analysis of the data received by the school districts and perform statistical analysis; and
- Development, printing and distribution of prescribed educational materials.

This proposal requires "…Funds for the administration of this section and for the purchase of vaccines for students of families unable to afford them shall be appropriated to DHSS from General Revenue or from federal funds if available. "

Population estimates were determined by using Census data that shows that there are approximately 80,000 children in the 11-year age cohort (the age of most children when they enter sixth grade). Assuming that approximately one-half are females, the number is reduced to 40,000. Of those 40,000, approximately 46.4 percent (18,560) are served through the Vaccines for Children program.

It is estimated that approximately 38.6 percent (15,440) may have private insurance that covers the vaccine cost (based on a forecast routinely used in the Vaccine for Children Program, connected to census data and usage data).

The remaining 15 percent (6,000) are not identified in either group above and therefore would need the vaccine paid for by the state. There are no federal funds currently available for this vaccine for this segment of the population; therefore General Revenue would be needed to provide the vaccines. Based on the Centers for Disease Control vaccine pricing list, the cost of the vaccine is $120.50 per dose. Three doses per patient are needed to complete the series, resulting in an annual cost of $2,169,000 (6,000 students x $120.50 per dose x 3 doses per series).

It is possible that a portion of these 6,000 females could opt not to receive the immunization, however the department has no way to determine how many females this may include. DHSS assumes a fiscal note cost of (Unknown to $2,319,458) in FY 2009, (Unknown to $2,394,391) in FY 2010, and (Unknown to $2,466,222) in FY 2011.

ASSUMPTION (continued)

As noted above, there are approximately 40,000 female students entering sixth grade each year. The department estimates it will cost one dollar per student for printing the educational materials plus an additional dollar per student to mail the materials to the student's home. The annual cost is estimated at $80,000 (40,000 students x $2/ student).

Section 191.1005:
Outlines the criteria to be used to publicly assess and compare quality and cost efficiency of health care providers. The Division of Senior and Disability Services (DSDS) assumes that if this data is reported for home and community-based services providers, that DSDS and the MO HealthNet Division would coordinate the collection, analysis, and dissemination of the data according to the criteria outlined. At this time, the Department cannot estimate the fiscal impact of this section, and therefore assumes an unknown fiscal impact.

Section 191.1008.3(1):
Requires DHSS to investigate complaints of alleged violations of this section by any person or entity other than a health carrier. If the complaint were against an individual, DHSS would have no authority. These complaints would need to be handled by the Board of Healing Arts or the Board of Nursing. Complaints against an entity could also include types of health care settings that are not currently under the regulatory charge of DHSS such as physician's offices, clinics, etc. The violations referred to in this section do not seem to be clinical or regulatory in nature. Instead, they appear to be concerned more with data disclosure.

The DHSS is not able to determine how many complaints would be received that would require investigation, therefore the Department is unable to determine the fiscal impact of this proposal and assuming the fiscal impact to be unknown.

Section 191.1025:
Requires the Department of Health and Senior Services to develop the Missouri Healthy Workplace Recognition Program for the purposes of granting official state recognition to employers with more than fifty employees for excellence in promoting health, wellness, and prevention. This activity is already underway in the form of a workgroup within the Missouri Council of Activity and Nutrition (MoCAN). Should the MoCAN group cease this activity, a DHSS internal committee could handle the duties. While there may be on-going costs for incidentals such as plaques and postage, there should not be any significant fiscal impact.

Section 191.1271:
Requires the DHSS to promulgate quality control rules and regulations to be used in removing and improving the services of telehealth practitioners. The Department assumes that the Division

ASSUMPTION (continued)

of Regulation and Licensure (DRL) we would have a significant role in these activities. There is no way to determine how many telehealth practitioners there would be if the legislation were to pass. Therefore, DRL is unable to estimate how many additional staff would be needed in order to comply with telehealth requirements, however it is assumed it would result in costs greater than $100,000.

Section 192.083:
Requires the Office of Minority Health (OMH) to solicit proposals from community programs and organizations representing minorities to develop culturally appropriate solutions and services relating to health and wellness. It also requires OMH to solicit proposals from faith-based organizations on initiatives to educate citizens on the value of personal responsibility and wellness. Within the current budget, the office is able to approve approximately 25 community proposals each year. Assuming the office will increase their community and faith-based proposal by 25 new proposals through solicitation, additional funds will be needed. Currently the Office of Minority Health has three Health Program Representative III that work within the community and receive proposal requests for funding of activities and events. One additional Health Program Representative III would be needed to take on the additional duties to solicit for more community proposals, participate at various events, provide outreach and education within the communities on minority health issues to reduce health disparities, provide technical assistance and advice to faith-based and community organizations, and provide presentations in the community on various minority health issues. Each year we are able to approve approximately 25 community contracts. If the office adds 25 more community contracts at the estimated amount of $3,000, additional funds in the amount of $75,000 will be needed.

Section 192.631:
Subject to appropriation, this section requires the Department to establish a school-based influenza vaccination program. The department consulted with Dr. Robert Steele's medical group for assistance on developing assumptions to administer the program, since his group already operates a similar program in the Southwest part of the state. They have encountered issues in dealing with Family Education Rights and Privacy Act (FERPA), such as not being allowed to determine insurance status of individual students. Thus, their practice sends consent forms for the vaccines (via the school nurse) to the student's parents, who make the decision whether or not their child will receive the immunization. The parents complete the consent form and return it to the school, along with a dollar amount to pay for the vaccine. The school nurse facilitates receipt of the consent forms and money. Dr. Steele's group purchases the vaccine from a private source, and the school reimburses the practice for the cost of the vaccine with dollars collected from the students.

ASSUMPTION (continued)

The pilot will run in three separate schools to represent three different school sizes (500 or fewer=small; 3,000=medium; 5,000 =large). The costs are based on cost of vaccine given to 50 percent of the school's population, or 250 for the small school, 1,500 for the medium school, and 2,500 for the large school. Total supplies for all three schools is $80,325.

Note: Vaccine cost is the actual cost of delivering a dose of vaccine. Dose administration costs include gloves, tissues, and Epi-pens. Printed materials include consent forms, vaccine information sheets, and informational sheets for parents.

To administer the program, the department is requesting a total of 1.5 FTE, including 0.3 FTE for a Public Health Nurse, 0.75 FTE for a Health Program Rep. II, and 0.45 FTE for a Senior Office Support Assistant. The staff will coordinate ordering the vaccine through the Centers for Disease Control and Prevention, provide nurse consultation to advise and coordinate with school nurses; and personnel time to gather data and analyze the findings of how effective the pilot program was. Standard expense and equipment would be needed for these staff.

Since it is assumed one year will be enough time to gauge the effectiveness of the pilot program, funding for this portion is requested only for one year to allow the pilot to run only during the 2009-2010 school year. Since DHSS will be required to promulgate rules prior to implementing the program, it is assumed funding would be needed for the pilot program during FY 2010.

This legislation also requires that the department distribute influenza vaccination awareness information to the parents and child care facilities of children ages six months to five years in August or September every year.

The Department is requesting an additional 0.75 FTE for a Health Program Representative II to carry out the influenza vaccination awareness portion of the legislation. The duties of the Health Program Representative II will be to work on the informational materials, research issues, oversee the production and shipping of these materials, direct the development of the mailing list, serve as technical advisor to schools, daycares, and parental inquiries, and work with the vaccine providers to inform them of state actions and vaccine requirements. This position will also work closely with the pilot project. They will be responsible for tabulating the pilot project and its results, reporting on the efficacy of the project, and taking follow-up actions to close out the pilot and initiate any follow up work at the request of schools or the legislature.

The proposed legislation states, "The Department shall cooperate with the Department of Social Services and the Department of Elementary and Secondary Education (DESE) in order to distribute the information to the parents and child care facilities effectively in August or

ASSUMPTION (continued)

September in every year." As a result of working with DESE, the department assumes that we would be responsible for disseminating influenza vaccination awareness information to all school age children. Missouri's current total student enrollment is approximately 1,135,157: 146,177 children in licensed day care facilities (Bureau of Child Care Licensing), 907,421 children in public schools (Department of Elementary and Secondary Education), and 81,559 children in private schools (Bureau of Immunization Assessment and Assurance). Based on a current order of a three-page three-color brochure, the influenza vaccination awareness information will cost approximately $0.39 per page, for a total of $1.17 per brochure ($0.39 x 3 pages). Based on the total reported enrollment for the current year, the department will need 1,135,157 brochures for a total cost of $1,328,134 (1,135,157 brochures x $1.17 each).

The department assumes that many families have more than one child in the household and would not need multiple materials. Therefore, by using the estimated number based on the student enrollment for the current year, there would be a surplus of informational materials that could be used as children move into the state during the year or to hand out to teachers and at various events.

DHSS plans to distribute the brochures through the Department of Elementary and Secondary Education and therefore assumes no postage costs.

The legislation also states, "The official website of the department shall have information on the benefits of annual vaccination against influenza for children and its programs offered for the children." The department's website currently includes some information regarding this subject. If any updates are needed, the department will absorb the costs.

According to the legislation, the pilot project is subject to appropriation. The department assumes a fiscal impact of ($0 to $199,021) in FY 2010 for this component. In addition, the department assumes the cost for the Awareness Campaign will be ($1,378,972) for FY 2009, ($1,415,043) for FY 2010, and ($1,457,495) for FY 2011.

Section 195.070:
The Bureau of Narcotics and Dangerous Drugs (BNDD) expect that all individuals eligible to register to conduct activities with controlled substances will do so within the first six months of the enactment of this legislation, with the following effect:

- The increase in receipt of applications for registration will result in a delay in issuance of controlled substance registrations;
- There will be an increase in registrants from approximately 29,000 to 33,050;

ASSUMPTION (continued)

- Newly registered individuals will have familiarity equal to or less than that of current registrants with regard to controlled substance laws and regulations;
- Of current registrants inspected, 43% are non-compliant with controlled substance requirements;
- The increase in registrants will result in an increase in complaints, investigations, violations identified and disciplinary actions taken, and
- Each inspection or investigation of this new category of registrants will include the identification of collaborative practice agreements and their status as well as inspection/investigation of the advanced practice nurse registrant's collaborating physician(s) resulting in an increased complexity in inspections and investigations requiring more staff time per inspection or investigation.

The Bureau of Narcotics and Dangerous Drugs currently has four Investigator II positions and one Investigator III position to conduct inspections and investigations of the approximately 29,000 (as of 11-30-07) state controlled substance registrants.

29,000/5 = 5,800 registrants per investigator

As of December 17, 2007 there have been 5,054 advanced practice recognitions issued by the Missouri State Board of Nursing. It is assumed that all of these individuals will seek registration with the Department of Health and Senior Services, Bureau of Narcotics and Dangerous Drugs. This will result in an increase of approximately 5,100 registrants.

One additional Investigator II will be needed to respond to the increased workload in performing enforcement activities for the increased number of registrants. Standard expense and equipment costs are included for this FTE.

Office of Administration, Information Technology Services Division (ITSD) Costs:

Support from ITSD will be needed to modify and maintain the existing database used by the Department of Health and Senior Services, Bureau of Narcotics and Dangerous Drugs. The modifications will include the addition of data fields to capture information about advanced practice registered nurses that have a controlled substance prescribing authority delegated in a collaborative practice agreement. Additional reports will also be required to meet the needs of the Bureau.

ITSD assumes one-time consultant cost for analysis, design development, testing and implementation of the needed medications to collect and store the data will cost $143,000. ITSD

ASSUMPTION (continued)

also assumes the project will require the need for one Computer Information Technology Specialists I to provide project management, development support and administration maintenance of the application. This position would require one full time staff the first year, and then reduced to half of a full time position in subsequent years.

Section 196.1200:
Establishes the Tobacco Use Prevention and Cessation Trust Fund, which shall be funded by the first five million dollars received from the strategic contribution payments received under the Master Settlement Agreement. Moneys in the fund shall be used for a comprehensive tobacco control program including but not limited to prevention and cessation of tobacco control programs.

DHSS estimates that two additional FTE will be required for the implementation of this program one Program Coordinator responsible for the implementation and oversight of the program, including: contract monitoring, supervision of the HPR III, providing technical assistance to schools and counties, coordinating publicity for the new programs, and evaluation effectiveness and one Health Program Representative III responsible for providing technical assistance, training and other resources to local organizations working to reduce tobacco use, and other duties as directed by the coordinator. Standard expenses and equipment, fringes, and indirect costs would also be needed for the two staff.

The remaining funds would be used as follows: $2.5 million will provide grants to community-based groups and $1.361 million will provide grants to school districts. These programs are to provide individual and group cessation and/or prevention counseling for youth.

It is assumed the increased revenue in the Tobacco Use Prevention and Cessation Trust Fund will be offset by a reduction in revenue to the General Revenue Fund. Based on the estimates provided by the Attorney General's Office, the lost revenue to the General Revenue fund will be approximately $5 million.

Section 197.554.3:
Requires hospitals to report any serious reportable event in healthcare to the patient or the patient's legally authorized representative. The Division of Regulation and Licensure assumes that this could result in a higher number of complaints, therefore requiring additional inspections. The number of additional inspections is unknown at this time and therefore the Department assumes an unknown number of additional FTE.

ASSUMPTION (continued)

Sections 208.1306
Specifies that one of the services covered will be personal care. The DHSS assumes the Department of Social Services will calculate the fiscal impact associated with determining eligibility under the "Insure Missouri" program, the cost of services for the eligible recipients, and the cost of any administrative hearings regarding denial of eligibility.

DSDS assumes the "Insure Missouri" program administration will be similar to that of the MO HealthNet program. Based on this assumption, DSDS has determined that it would be the agency designated to assess and authorize requests for personal care services under the new program. Services would be provided for individuals with incomes up to 225% of Federal Poverty Level (FPL).

Estimates provided by the Department of Social Services (DSS) on March 14, 2008, indicate the "Insure Missouri" program will cover approximately 213,692 individuals after the complete phase-in. Based on utilization of MO HealthNet for eligibility categories which exclude the disabled and those over age 65, DSDS assumes that approximately .17% of the eligible individuals would utilize personal care services equaling 363 individuals (213,692 X .0017 = 363.28). DSDS assumes these individuals will be added in phases.

As of June 30, 2007, caseloads for the Division's Social Service Workers averaged approximately 156 per FTE ((41,504 In-Home + 10,068 Consumer-Directed)/329.60). Pursuant to Section 660.021, RSMo, the Caseload Standards Advisory Committee recommended that caseloads should be no more than 80 per worker. The division would request additional staff in an effort to reduce average caseloads to at least 100 per Social Service Worker. These standards are the basis for FTE estimates.

Phase I - Upon implementation on July 1, 2008, DSS estimates 42,222 individuals would become eligible. Applying the .17% rate for personal care, DSDS estimates 72 individuals would begin accessing these services (42,222 X .0017 = 71.77). Keeping with the previous request to reduce caseloads to 100 per worker, the division will require 1.00 Social Service Worker FTE to case manage the new eligibles as a result of this legislation (72 clients/100 = .72).

Phase II - The second phase, which begins July 1, 2009, will add an additional 45,154 individuals to the program. Again, applying the .17% rate, DSDS estimates an additional 77 individuals would access personal care services (45,154 X .0017 = 76.76). Based on the caseload standard of 100 per worker, the division will require 1.00 additional Social Service Worker FTE for a total of 2.00 (77 clients /100 = .77).

ASSUMPTION (continued)

Phase III - Upon implementation of the third phase on January 1, 2011, an additional 26,724 adults would gain eligibility under the program. Applying the .17% personal care utilization rate, an additional 45 individuals would access this care (26,724 X .0017 = 45.43). Based on the standard caseload of 100 per FTE, DSDS assumes these individuals could be absorbed into current caseloads, so no additional FTE would be needed for this phase.

Phase IV - Phase IV, which begins January 1, 2012, would add 23,221 adults. At the .17% utilization rate, 39 additional individuals would be accessing personal care services (23,221 X .0017 = 39.48). Based on the standard caseload of 100 per FTE, DSDS assumes these individuals could be absorbed into current caseloads, so no additional FTE would be needed for this phase.

Phase V - Upon implementation of Phase V on January 1, 2013, the addition of 47,353 additional adults at the .17% personal care utilization rate would result in an additional 81 clients accessing these services (47,353 X .0017 = 80.5). These additional clients would result in the need for 1.00 Social Service Worker FTE (81 clients/100 = .81).

Phase VI - On January 1, 2014, 16,514 adults will be added to the program. Based on the .17% rate, another 28 clients will access personal care services (16,514 X .0017 = 28.07). DSDS assumes these individuals could be absorbed into current caseloads, so no additional FTE would be needed for this phase.

The blended Federal participation rate of 54 percent GR and 46 percent Federal was applied to this cost estimate for Personal Services and Expense and Equipment.

Social Service Worker duties include the responsibility for investigation of hotlines, eligibility determination and authorization of state-funded in-home services, and care plan management.

Currently, the ratio of Home and Community Area Supervisors (HCSAS) is one supervisor for every ten Social Service Worker (SSW) FTE. Therefore, since this legislation will only require 3.00 SSW FTE in total, DSDS will not request any additional supervisors or clerical staff and will absorb those duties with existing staff.

Section 208.1303.1 specifies the Insure Missouri plan is subject to appropriation. Since the program is subject to appropriation, the Departments assumes staff needs to implement the legislation is subject to appropriation, and therefore is represented as a range of $0 to the cost for implementation for this section.

ASSUMPTION (continued)

Section 208.152.1(20):
This section adds comprehensive day rehabilitation services for individuals with disabling impairments to the covered services under the Mo HealthNet plan. The Department of Health and Senior Services assumes that the Department of Social Services will determine the fiscal impact for service/eligibility for this additional service. The Division of Senior and Disability Services would estimate the need for approximately one FTE for each 100 additional participants for case management. The number of participants is unknown at this time; therefore the department assumes an unknown impact for this section.

Division of Administration:
The additional requirements of the legislation would require the Office of General Counsel to promulgate rules for the new programs, perform contract/grant review, provide consultations, ensure adequate reporting requirements, and review of information to be disclosed. Due to this increase in workload, the OGC will need two additional mid-level staff attorneys.

Oversight has, for fiscal note purposes only, assumed this proposal will be appropriated and will reflexed the costs without a "$0 to" range.

Officials from the **Department of Insurance, Financial Institutions & Professional Registration** assume the Department will need appropriation of $25,000 from General Revenue to distribute the start-up grant.

The Department believes existing staff can implement the provisions of the proposal impacting the Department. However, if the workload is such to require additional staff, additional staff and appropriation will be requested through the budget process.

According to the Missouri Health Insurance Pool, while there could be a broadening of eligibility to the pool, the cost of the preexisting changes on pool costs is unknown and would depend upon the number of applications processed with a preexisting condition exclusion

DIFP assumes that the appeals process outlined in 191.1008(3)(2) will be contracted. The Department currently contracts out a similar review/appeal process that is used on an as needed basis and is billed based on an hourly rate. If the cost of contracting exceeds what existing appropriation can absorb, additional authority will be requested.

Officials from the **Department of Social Services - Division of Legal Services (DSS-DLS)** estimates that 10% of participants request hearings on an annual basis. Thus, for each year the amount of hearings added would be:

ASSUMPTION (continued)

FY09 0 FY10 329 FY11 134 FY12 116 FY13 237 FY14 83

It is assumed that a benefits hearing officer can handle 900 hearings per year. Therefore, it is assumed that by full implantation in FY14, a fiscal impact of 1 hearing officer. It is also assumed that any rulemaking that would need to be done would be handled by the MO HealthNet Division and should be reflected in their fiscal note.

Oversight assumes the DSS-DLS could absorb one hearing officer FTE.

Officials from the **Department of Social Services - Research and Evaluation** state in addition to obtaining information from ITSD, Research and Evaluation Unit anticipates it will be called upon to supply data to the Department of Health and Senior Services, due to sections 191.1300 to
191.1324. This would involve writing computer programs to retrieve that data, manipulating the data into a format for transfer to the information center, interpreting the data, and maintaining those programs over time. Since the data in the information center will need to be updated periodically, Research and Evaluation anticipate this would be an ongoing responsibility.

In recent years there has been increasing demand for Medicaid related data. The Research and Evaluation Unit cannot meet additional requests for information in that area without additional staff resources. Therefore, Research and Evaluation Unit anticipates the need for one additional research analyst III to handle the task created by these sections.

Officials from the **Department of Social Services - Information Technology Services Division (DSS-ITSD)** assumes the following fiscal impact to the Division:

Legacy Costs: Contractors: 7896 hours X $75 per hours = $592,200
FAMIS Costs: Contractors: 1360 hours X $89 per hours = $121,040
Total = $713,240

Section 191.1300-191.1324 DSS-ITSD states most healthcare payment information will come from Infocrossing (IFOX). IFOX processes all MO HealthNet claims for services. IFOX provides interface/extract programs when required. DSS Systems that may provide information include FAMIS, FACES, Alternative Care, Medical Services, IM, and Youth Services.

FAMIS gave an estimate of 2000 hours for an interface or extract program at a rate of $89 per hour for a total cost of $178,000.

ASSUMPTION (continued)

The other systems gave an estimate of 320 hours per program at $75 per hour for a total cost of $24,000 per program (2 programmers for one month). 2 programs x 4 systems x $24,000 = $192,000

The Medical Services team would need a contractor to do the programming. They would write programs that read the Medicaid claims files and categorize the expenses, service types, etc. Some of the info would have to be obtained from the MMIS fiscal agent. Information would have to be obtained from individual providers (e.g. average charge, average net revenue per adjusted day, cost per patient day, etc.) 640 hours for two programs.
Assume two extracts per system.

FAMIS:	2 programs x $178,000 =	$356,000
	2 programs x $24,000 =	$48,000
	Total	$404,000

Accounting Splits: IM/Medicaid is 50% GR and 50% FF and FAMIS is 76% GR and 24% FF.

Officials from the **Department of Social Services - Family Services Division (DSS-FSD)** states
the following:

Based on information gathered from 2006 Census Bureau, and if funds were appropriated to cover this at 100%, FSD has determined there would be 268,272 new participants for this program. These participants would be phased in over a period of six years, as outlined below.

The FSD fiscal note is based on determining the income eligibility only. The cost to manage the health care accounts, determining the amount of the cost share for each person, and determining at which point benefits will become available after the cost share is met will be funded through MO HealthNet Division's fiscal note and budget.

To manage the new caseload, FSD will use a variety of methods, such as a call center or other automated services. Below is an estimate of the cost to implement with staff and the cost to implement without staff by implementing a call center and investing in technology such as on-line applications.

PHASE I:
The first phase, to be implemented 7/1/08, would provide health care for 54,500 custodial parents. These are custodial parents already known to FSD as their children are currently

receiving MO HealthNet benefits. FSD would not see an increase in caseload size due to these participants.

ASSUMPTION (continued)

FSD estimates FAMIS cost of 3000 hours @ blended rate of $89/hour to coordinate with the Missouri Health cabinet to engage in any activities that will implement improved collaboration of agencies in order to create, manage, and promote coordinated policies, programs and service-delivery systems that support improved health outcomes. Total FAMIS cost estimated $267,000 (3000 hours x $89/hour). This cost would be incurred as a one-time cost for the first phase.

PHASE II:
The second phase, to be implemented 7/1/09, would provide health care for 32,876 non-custodial parents under 100% FPL.

Based on 32,876 additional cases, and a 243 caseload standard, FSD would need 135 new Eligibility Specialists (32,876/243 = 135).

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 14 new Eligibility Supervisors (135/10 = 13.5, rounded up to 14).

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Clerical Staff, we would need an additional 25 clerical staff, with 19 OSA and 6 SOSA. (135+ 14 = 149 ÷ 6 = 24.83, rounded up to 25. 29 x 75% = 22 OSA; 29 - 22 = 7 SOSA.

Total new FTE for 2nd phase: 135 + 14 + 25 = 174

PHASE III:
The third phase, to be implemented 1/1/2011, would provide health care to 26,724 adults. FSD anticipates that 50% of these would be custodial parents and known to FSD. 26,724 x 50% = 13,362. There would be 13,362 new cases.

Based on 13,362 additional cases, and 243 caseload standard, FSD would need 55 new Eligibility Specialists (13,362 /243 = 54.98, rounded up to 55).

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 6 new Eligibility Supervisors (55/10 = 5.5, rounded up to 6).

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Professional Staff, we would

need an additional 16 professional support staff, with 12 OSA and 4 SOSA. (55 + 6 = 61 ÷ 6 = 10.16 rounded down to 10. 10 x 75% = 7 OSA; 10-7 = 3 SOSA.

ASSUMPTION (continued)

Total new FTE for 3rd phase: 55 + 6 + 10 = 71

PHASE IV:
The fourth phase, to be implemented 1/1/2012, would provide health care to 23,221 adults. FSD anticipates 50% of these would be custodial parents and known to FSD. 23,221x 50% = 11,610.5. There would be 11,611 new cases.

Based on 11,611 additional cases, and 243 caseload standard, FSD would need 48 new Eligibility Specialists (11,611/243 = 48).

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 7 new Eligibility Supervisors (48/10 = 4.8, rounded up to 5).

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Professional Staff, we would need an additional 14 professional support staff, with 11 OSA and 3 SOSA. (48 + 5 = 53 ÷ 6 = 8.833 Rounded to 9 9 x 75% = 7 OSA; 9-7 = 2 SOSA.

Total new FTE for 4th phase: 48 + 5 + 9 = 62

PHASE V:
The fifth phase, to be implemented 1/1/2013, would provide health care to 47,353 adults. FSD anticipates 50% of these would be custodial parents and already known to FSD. 47,353 x 50% = 23,677. There would be 23,677 new cases.

Based on 23,677additional cases, and 243 caseload standard, FSD would need 97 new Eligibility Specialists.

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 10 new Eligibility Supervisors (97/10 = 9.7).

On a ratio of 6-1 Eligibility Specialist/Supervisor to Professional Staff, we would need an additional 18 professional support staff, with 14 OSA and 4 SOSA. (97 + 10 ÷ 6 = 17.8. Rounded up to 18 x 75% = 14 OSA; 18-14 = 4 SOSA.

Total new FTE for the 5th phase: 97 + 10 + 18 = 125

PHASE VI:
The sixth phase, to be implemented 1/1/2014, would provide health care to 16,514 adults. FSD

ASSUMPTION (continued)

anticipates 50% of these would be custodial parents and known to FSD. 16,514 x 50% = 8,257. There would be 8,257new cases.

Based on 8,257additional cases, and 243 caseload standard, FSD would need 34 new Eligibility Specialists.

On 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, FSD would need 3 new Eligibility Supervisors (34/10 = 3.4, rounded down to 3).

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Professional Staff, we would need an additional 10 professional support staff, with 8 OSA and 2 SOSA. (34+ 3 ÷ 6 = 6.16 rounded down to 6. 10 x 75% = 5 OSA; 6-5 = 1 SOSA.

Total new FTE for the 6th phase: 34 + 3 + 6 = 43

Total Cost: The total cost by phase by fiscal year if implemented with staff or staff equipment is $267,000 for FY09, $9,664,892 for FY10 and $10,841,707 for FY11.

However, the Division believes that with the implementation of a call center at $6,078,049 annually with a one-time start-up cost in FY 09 of $1,487,069 and investing 20% of the staffing cost into technology, the Division can absorb these cases with existing staff. Therefore the Division is projecting the following fiscal: $1,754,070 for FY09, $8,011,027 for FY10 and $8,246,390 in FY11.

Officials from the **Department of Social Services -MO HealthNet Division (DSS-MHD)** states the following:
Section 26.853 Missouri Health Cabinet:
It is assumed that the DSS will provide equipment and expense funds in the amount of $750,000 annually. These funds will cover the cost to contract any data assistance, surveys, research and reporting requirements of the Cabinet.

Section 191.845 Feasibility Study:
Language states the DSS will issue a grant in the amount of $350,000. All general revenue.

Section 191.1005 Performance Reports:
Will have a fiscal impact to the MHD. MHD will have costs for a contractor to collect, compile, evaluate and compare the quality of care data. The cost for a contractor is unknown, but greater than $250,000.

ASSUMPTION (continued)

Section 191.1200 Primary Care Access Pilot Project:
The General Assembly shall appropriate $400,000 from the health care technology fund to the DSS for the purpose of awarding a grant to implement an Internet web-based primary care access pilot project.

Section 192.990 Missouri Free Clinics Fund:
The DSS will disburse funds to the Missouri free clinic association to be equitably and evenly distributed to all free clinics in the state. Grant support will be limited to capacity building projects of existing clinics. This is one-time funding in the amount of $500,000 - subject to appropriation. The fiscal impact to MHD will be $0 to $500,000 since the funding is subject to appropriation.

Section 197.590 and 208.149 Preventable Medical Errors:
Prohibits the MHD from reimbursing providers for the treatment of preventable errors. It is assumed that the provider will not be able to bill the injured patient for the preventable medical error. The professional services payment committee will make recommendations to the MHD regarding standards and policies. The recommendations will be complete and issued by the committee to the MHD by December 31, 2008.

In order to identify the claims that are for preventable medical errors the MHD will either develop and implement an in-house process, contract out the process or develop a method that is a combination of these methods whichever is most cost efficient.

An in-house process would require the MMIS section of MHD to coordinate with the MHD fiscal agent to program the claims payment system to deny payment for claims that should not be paid. There will be unknown programming costs for the fiscal agent.

In addition, programming will be needed to identify and report suspect claims that were not denied based on the new edits. The report would be reviewed by the Program Integrity Unit (PIU) to identify additional claims that were not identified by the edits. There would be a need for one additional Nurse III staff in PIU for this function.

If this process is contracted out MHD assumes the fee would be less than $500,000 based on other contracts that provide similar services. The exact system that MHD will use is not known and the potential cost savings is not known. The estimated cost will be a range of $100,000 to $500,000.

ASSUMPTION (continued)

Section 208.152.1(19) Therapy Services and Electronic Prior Authorization System:
Cost for this section includes the program cost annually plus a one time cost of $100,000 to modify the information in the existing prior authorization system to include therapy services. FY09 (10 months) $6,078,210 ($2,237,389 GR); FY10 $7,496,669 ($2,759,524 GR); FY11 $7,834,019 ($2,883,702 GR).

Section 208.215 Payment of Subrogation Claims:
This will allow MHD to collect recoveries from health insurance carriers on claims that currently deny for timely filing, but were filed with the carrier within 3 years of date of service. The cost avoidance/savings is unknown but it is expected to be greater than $375,000.

Total cost for this legislation excluding Insure Missouri (Section 208.1303) is:
Unknown but Greater than $8,411,460 ($3,612,527 GR) for FY09, Unknown but Greater than $8,621,669 ($3,305,537 GR) in FY10 and Unknown but Greater than $8,959,019 ($3,429,715 GR) in FY11.

Section 208.152(20) Comprehensive Day Rehabilitation:
Expands the Comprehensive Day Rehabilitation program to all eligible adults. The services must be based on an individualized, goal-oriented, comprehensive and coordinated treatment plan. The MO HealthNet Division (MHD) shall establish the definition and criteria for designation of a comprehensive day rehabilitation service facility, the benefit limitations and the payment mechanism utilizing the expertise of brain injury rehabilitation service providers and the Missouri Head Injury Advisory Council. The services must be provided in a community based facility and be authorized on tier levels based on the services the patient requires and the frequency of the services as guided by a qualified rehabilitation professional associated with a health care home.

In FY07 there were no claims filed for this program. In FY05 there were 89 adults in a category of assistance other than a category for blind individuals, pregnant women or nursing home care who received services through the Comprehensive Day Rehabilitation program. The fee for service cost for their services in FY05 was $526,728. It is assumed that about the same number of individuals would use the program if it were expanded. Therefore, the FY05 cost is used as

the base for estimating future costs. A 4.5% inflation factor was applied to FY06 through FY11 to project the cost.

In addition, the MHD contracts with managed care health plans to provide medical assistance to individuals eligible under Section 208.151. The MHD assumes this legislation will apply to the managed care health plans. Therefore, there would be an unknown fiscal impact to the MHD for

ASSUMPTION (continued)

the increase in managed care capitation rates due to the additional services, the cost of the actuarial consultant for MHD to renegotiate the current contracts with the managed care health plans, and notification to be prepared and sent to all MO HealthNet Managed Care enrollees.

The MHD assumes that the Medicaid State Plan would be approved and therefore the services would be eligible for matching federal financial participation.

Therefore, the estimated fiscal impact to MHD for Managed Care participants is unknown but greater than $100,000.

The cost for expanding this program includes the fee for service program costs, the managed care actuary cost and an unknown cost for an increase in capitation rates. In FY09, Unknown > $623,444 ($229,490 GR); FY10 Unknown > $656,399 ($241,620 GR); and FY11 Unknown > $685,937 ($252,493 GR).

Oversight notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from state and the nation as a whole. Missouri's FMAP for FY09 is a 63.19% federal match. The state matching requirement is 36.81%.

Section 208.1303 - 208.1345 Insure Missouri:

Number of Participants - This legislation provides health care coverage for adults up to 225% of the federal poverty level (FPL). Custodial Parents Under 100% of FPL - 54,500; Noncustodial Parents Under 100% of FPL - 32,876; Adults from 100% to 125% of FPL - 26,724; Adults from 125% to 150% of FPL - 23,221; Adults from 150% to 200% of FPL - 47,353; and Adults from 200% to 225% of FPL - 16,514.

Custodial parents below 100% of the FPL were determined from the number of parents who had earned income with children covered by MO HealthNet for Kids. The remaining participants are

based on 2006 Census Bureau estimates of the number of uninsured in Missouri that were working. Approximately 53% of the uninsured are estimated to be childless adults. To determine the number of childless adults below 100% of the FPL, the Census Bureau estimate of working uninsured below 100% of the FPL was multiplied by 53%. The other categories of adults are based on actual Census Bureau estimates for each of the percent of poverty ranges. Total participants are 201,188 for full implementation.

ASSUMPTION (continued)

Calculation of Costs - Costs are based on a distribution of claims by size of claim. Average claim amounts for each distribution group were multiplied by the percentage distribution and the number of estimated participants. Claim amounts were reduced to reflect the provision of preventive care to the participant. The proposal allows for the first $500 of preventive care to be provided at no cost to the participant. MHD used the average claim amount of $253 from the claim grouping "less than $500". It was assumed due to the low cost, these claims represented preventive care. It was further assumed that on average, not all participants would use the full $500 and the $253 represented a good estimate of preventive care.

An example of the calculation using the $500 to $1,000 claim group follows:

- People in this group had 11.71% of all claims.
- The average claim for this group was $799.
- When reduced by the cost of preventive care, the remaining cost of $546 was multiplied by each participant's group.
- This means the formula is: 54,500 custodial parents x 11.71% x $546 = $3,483,926 in cost to be shared between the insured and the state. The per member per year cost for both the insured and the state combined is $3,896, or $325 per month.

Distribution of Costs between Insured and State - Custodial parents below 100% of the FPL contribute to their cost of care through co-pays. Co-pays of $25 per year were assumed. Childless adults below 100% of the FPL are required to contribute 1% of the individual's annual income. All other adults above 100% of the FPL are required contribute to a Health Care Account based on the individuals annual income range. The maximum contribution is $1,000 per year. If the participant's required contribution is less than the $1,000 maximum, the state will make up the difference. The contribution by the participant is based on the lowest percentage of poverty for each group.

Total Cost - Costs are shown cumulatively based on the implementation dates including 6.15% inflation per year. The inflation is based on the Center for Medicare and Medicaid National

Health Expenditure Index. The following take-up rates were used 1) custodial parents below 100%--100% take-up, 2) childless adults below 100%--85% take-up and 3) all other categories-65% take-up.

The cost to the insured has been reduced by the amount of SCHIP premium collections. The proposal allows the insured to reduce the contribution to the Health Care Account by payments made to MO HealthNet, SCHIP and Medicare. This will require the offset for the SCHIP premiums to be paid by the state. No payments were considered for MO HealthNet or Medicare.

ASSUMPTION (continued)

The cost of the insured has also been adjusted to recognize the federal 5% of income cost sharing limit. When determining the annual contribution to the health care account there were three scenarios considered: 1) the household has one adult, 2) the household has two adults and one adult is uninsured, and 3) the household has two adults and both are uninsured. For the first two categories the 5% limit is not applicable. However, for households with two uninsured adults, two separate contributions to the health care account would, in some cases, exceed the federal 5% limit. The cost estimate assumes 32.1% of the working uninsured with a health care account

are in a household of one. For households with two adults, 39.6% had one uninsured adult. In 28.3% of the households, both adults were uninsured. The distribution of two-adult households is based on a 1996 Census Bureau medical expenditure panel survey (MEPS). The source of the state share is a combination of General Revenue and Federal Reimbursement Allowance dollars.

The fiscal impact is $169,845,976 in FY09, $334,120,475 in FY10 and $430,451,529 in FY11.

FISCAL IMPACT - State Government	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE FUND			
Savings - Office of Administration Fringe Benefits Not Owed By State	$550,000	$1,100,000	$1,100,000
Savings - Department of Health and Senior Services Registration Fees - Section 195.070	$367,200	$68,850	$68,850

Loss - Office of Administration			
State Tax Collected	($400,000)	($800,000)	($800,000)
Costs - Department of Mental Health			
Program Costs	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)
FISCAL IMPACT - State Government	FY 2009 (10 Mo.)	FY 2010	FY 2011
Costs - Department of Revenue			
Personal Services	($182,557)	($225,641)	($232,410)
Fringe Benefits	($80,727)	($99,778)	($102,772)
Equipment and Expense	($50,234)	($8,740)	($9,001)
Total Costs - DOR	($313,518)	($334,159)	($344,183)
FTE Change - DOR	10 FTE	10 FTE	10 FTE
Costs - Missouri Consolidated Health Care Plan			
Preventive Services Costs	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)
Costs - Department of Health and Senior Services			
Personal Services	(Unknown but Greater than $252,129)	(Unknown but Greater than $349,744)	(Unknown but Greater than $309,117)
Fringe Benefits	(Unknown but Greater than $114,114)	(Unknown but Greater than $158,294)	(Unknown but Greater than $139,906)
Equipment and Expense	(Unknown but Greater than $1,748,092)	(Unknown but Greater than $1,754,383)	(Unknown but Greater than $1,676,278)
Program Costs - Consultant Services Section 26.900	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)
Program Costs - Section 191.1005	(Unknown)	(Unknown)	(Unknown)

Program Costs - Section 191.1271	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)
Program Costs - Section 167.182	(Unknown but Greater than $2,172,334)	(Unknown but Greater than $2,237,504)	(Unknown but Greater than $2,304,629)

FISCAL IMPACT - State Government	FY 2009 (10 Mo.)	FY 2010	FY 2011
Costs - Department of Health and Senior Services (continued)			
Program Costs - Tobacco	($5,000,000)	($5,000,000)	($5,000,000)
Total Costs - DHSS	(Unknown but Greater than $9,486,669)	(Unknown but Greater than $9,699,925)	(Unknown but Greater than $9,629,930)
FTE Change - DHSS	Unknown but Greater than 7.83 FTE	Unknown but Greater than 9.33 FTE	Unknown but Greater than 7.83 FTE
Costs - Department of Insurance, Financial Institutions & Professional Registration			
Program Costs	($25,000)	($25,000)	($25,000)
Costs - Department of Social Services			
Personal Service - R&E	($22,565)	($27,902)	($28,739)
Fringe Benefits - R&E	($9,978)	($12,338)	($12,708)
Equipment and Expense - R&E	($742)	($216)	($223)
Program Costs - ITSD	($929,558)	$0	$0
Program Costs - FSD	($957,680)	($4,335,131)	($4,452,812)
Program Costs - MHD	(Unknown but Greater than $3,428,477)	(Unknown but Greater than $3,121,487)	(Unknown but Greater than $3,245,665)
Program Costs - MHD Comp Rehab	(Unknown Greater than $229,490)	(Unknown Greater than $241,620)	(Unknown Greater than $252,493)

Program Costs - MHD Insure Missouri	($25,000,000)	($46,800,000)	($46,800,000)
Total Costs - DSS	(Unknown but Greater than $30,578,490)	(Unknown but Greater than $54,538,694)	(Unknown but Greater than $54,792,640)
FTE Change - DSS	.7 FTE	.7 FTE	.7 FTE

FISCAL IMPACT - State Government (continued)	FY 2009 (10 Mo.)	FY 2010	FY 2011
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	**(Unknown but Greater than $40,086,477)**	**(Unknown but Greater than $64,428,928)**	**(Unknown but Greater than $64,622,903)**
Estimated Net FTE Change for General Revenue Fund	Unknown but Greater than 18.53 FTE	Unknown but Greater than 20.03 FTE	Unknown but Greater than 18.53 FTE

TOBACCO USE PREVENTION, CESSATION AND ENFORCEMENT TRUST FUND

Income - Department of Health and Senior Services			
Revenue from Strategic Contribution Payments	$5,000,000	$5,000,000	$5,000,000
Costs - Department of Health and Senior Services			
Personal Services	($70,049)	($86,160)	($88,314)
Fringe Benefits	($31,704)	($38,996)	($39,976)
Equipment and Expense	($4,871,791)	($4,842,303)	($4,838,355)
Program Costs	($26,456)	($32,541)	($33,355)
Total Costs - DHSS	($5,000,000)	($5,000,000)	($5,000,000)
FTE Change - DHSS	2 FTE	2 FTE	2 FTE

ESTIMATED NET EFFECT ON TOBACCO USE PREVENTION, CESSATION AND ENFORCEMENT TRUST FUND	**$0**	**$0**	**$0**
Estimated Net FTE Change for Tobacco Use Prevention, Cessation and Enforcement Fund	2 FTE	2 FTE	2 FTE
FISCAL IMPACT - State Government (continued)	FY 2009 (10 Mo.)	FY 2010	FY 2011
HEALTH TRANSFORMATION FUND			
Income - Department Social Services Gifts, Donations, Transfers & Appropriated Funds	Unknown	Unknown	Unknown
Costs - Department of Social Services Program Costs	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON HEALTH TRANSFORMATION FUND	**$0**	**$0**	**$0**
MISSOURI FREE CLINICS FUND			
Income - Department of Social Services Transfer from General Revenue	$500,000	$0	$0
Costs - Department of Social Services Program Costs	($500,000)	$0	$0
ESTIMATED NET EFFECT ON MISSOURI FREE CLINICS FUND	**$0**	**$0**	**$0**

HEALTH CARE TECHNOLOGY FUND			
Costs - Department of Social Services			
Internet Pilot Program	($400,000)	($400,000)	($400,000)
ESTIMATED NET EFFECT ON HEALTH CARE TECHNOLOGY FUND	**($400,000)**	**($400,000)**	**($400,000)**
FISCAL IMPACT - State Government (continued)	FY 2009 (10 Mo.)	FY 2010	FY 2011
FEDERAL REIMBURSEMENT ALLOWANCE FUND			
Costs - Department of Social Services			
Program Costs - MHD Insure Missouri	($37,338,886)	($75,802,829)	($110,577,244)
ESTIMATED NET EFFECT ON FEDERAL REIMBURSEMENT ALLOWANCE FUND	**($37,338,886)**	**($75,802,829)**	**($110,577,244)**
FEDERAL FUNDS			
Income - Department of Health and Senior Services			
Federal Assistance	$36,715	$66,404	$68,398
Income - Department of Social Services			
Federal Assistance	$111,552,396	$217,864,364	$277,424,893
Losses - Department of Mental Health			
Loss of Federal Funding	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)	(Unknown but Greater than $100,000)

Costs - Department of Health and Senior Services			
Personal Services	($12,366)	($30,569)	($31,486)
Fringe Benefits	($5,597)	($13,836)	($14,251)
Equipment and Expense	($14,082)	($10,454)	($10,769)
Program Costs	($4,670)	($11,545)	($11,892)
Total Costs - DHSS	($36,715)	($66,404)	($68,398)
FTE Change - DHSS	.92 FTE	.92 FTE	.92 FTE

FISCAL IMPACT - State Government (continued)	FY 2009 (10 Mo.)	FY 2010	FY 2011
Cost - Department of Social Services			
Personal Services - R&E	($9,671)	($11,958)	($12,317)
Fringe Benefits - R&E	($4,276)	($5,288)	($5,446)
Equipment and Expense - R&E	($318)	($93)	($95)
Program Costs - ITSD	($120,214)	$0	$0
Program Costs - FSD	($796,390)	($3,675,896)	($3,793,578)
Program Costs - MHD	($4,082,983)	($5,000,182)	($5,213,354)
Program Costs - MHD Comp Rehab	(Unknown Greater than $393,954)	(Unknown Greater than $414,779)	(Unknown Greater than $433,444)
Program Costs - MHD Insure Missouri	($106,144,590)	($208,756,168)	($267,966,659)
Total Costs - DSS	($111,552,396)	($217,864,364)	($277,424,893)
FTE Change - DSS	.3 FTE	.3 FTE	.3 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**(Unknown but Greater than $100,000)**	**(Unknown but Greater than $100,000)**	**(Unknown but Greater than $100,000)**
Estimated Net FTE Change for Federal Funds	1.22 FTE	1.22 FTE	1.22 FTE

FISCAL IMPACT - Local Government	FY 2009 (10 Mo.)	FY 2010	FY 2011

POLITICAL SUBDIVISIONS

Income - Community-Based Groups	$3,500,000	$3,500,000	$3,500,000
Income - School Districts	$4,000,000	$4,000,000	$4,000,000
Income - County Law Enforcement	$3,000,000	$3,000,000	$3,000,000
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	**$10,500,000**	**$10,500,000**	**$10,500,000**

FISCAL IMPACT - Small Business

Small businesses that currently provide insurance for their employees may opt to discontinue that provision with the availability of Insure Missouri. Also, small businesses that are health care providers may see a decrease in the number of delinquent accounts and an increase in the amount of reimbursement received, as more Missourians are able to obtain coverage through the program.

Health care facilities licensed under Chapters 197 and 198 that meet the criteria for as a small business could incur costs associated with submitting the data required under proposed section 191.1321. If individual health care agencies, physician practices, dental practices, ambulatory surgical centers, nursing homes or pharmaceuticals are required to report health care information, this could have an impact on their operations as well.

Small hospitals could also incur costs associated with reporting reportable incidents to the patient safety organization and completing the required root cause analysis.

Small hospitals and clinics that currently pay fees to the Department of Health and Senior Services for controlled substance registrations for their practitioners will incur an additional cost in paying for the Missouri state controlled substance registrations at $90 per three-year registration for each of their advanced practice nurses. An additional $551 per three-year registration for each federal registration from the U.S. Drug Enforcement Administration would also be incurred. These businesses may choose to require the individual advanced practice nurse to submit payment for their own registrations.

Small businesses could qualify for the credits and deductions established in this legislation.

FISCAL DESCRIPTION

SEC:LR:OD (12/06)

The proposed legislation establishes the Missouri Health Transformation Act of 2008.

MINIMUM HEALTH PROMOTION STANDARD FOR STATE BUILDINGS:
This legislation requires the Office of Administration, in consultation with the Department of Health and Senior Services to submit a report to the Governor and General Assembly by December 31 2008, detailing the opportunities for the state to implement a minimum health promotion standard for construction or substantial renovation of a state building. SECTION 8.365

FISCAL DESCRIPTION (continued)

HEALTH CABINET AND HEALTH POLICY COUNCIL:
This legislation creates the Missouri Health Cabinet. The cabinet shall ensure that the public policy of the state relating to health is developed to promote interdepartmental collaboration and program implementation in order that services designed for health are planned, managed, and delivered in a holistic and integrated manner to improve the health of Missourians.

The cabinet is created in the executive office of the Governor and shall meet for its first organizational session no later than October 1, 2008. Thereafter the cabinet shall meet at least six times each year in the different regions of the stats in order to solicit input from the public. The cabinet shall consist of seven members, including the Governor, the director of the Departments of Health and Senior Services, Mental Health, Insurance, Financial Institutions and Professional Registration and the Commissioner of Education. The President Pro Tem of the Senate, the Speaker of the House, the chief justice of the Supreme Court, the Attorney General, the Commissioner of the Office of Administration and the Director of Agriculture, or their appointed designees shall serve as ex officio members of the cabinet.

The Governor shall appoint a Health Policy Council to assist the cabinet in its tasks. The council shall replace the MO HealthNet Oversight Committee and the State Boards of Health and Senior Services, which are repealed under the legislation. The members of the council shall consist of representatives from the health care or health policy field. SECTIONS 26.850 TO 26.856

REPORT ON SHIFTING DEMOGRAPHICS:
The Lieutenant Governor, in his or her capacity as the senior advocate for the state, shall coordinate with all the directors of the departments in this state to review their major policies, programs, and structures in light of the state's increasingly older and more diverse population. A policy brief shall be submitted to the Governor and General Assembly by July 1, 2009, and shall highlight critical functions or issue areas that would be affected by shifting demographics and

how such issues should be addressed within the next ten years. SECTION 26.900

CAFETERIA PLAN FOR INSURANCE PREMIUMS:
Allows the Commissioner of Administration to deduct cafeteria plan administrative fees and any amount necessary for the participation in the cafeteria plan from the employee's compensation warrant, unless the employee affirmatively elects not to participate in the plan. Vendors are allowed to solicit the selection of products currently allowed to be included in cafeteria plans, on site in state facilities. SECTION 33.103

FISCAL DESCRIPTION (continued)

PREVENTIVE SERVICES:
Beginning January 1, 2010, the Missouri consolidated health care plan shall include, as part of its covered benefits, all of the preventive benefits recommended by the federal U.S. Preventive Services Task Force. SECTION 103.185

TAX CREDITS AND DEDUCTIONS:
This legislation increases the amount of tax credits available for taxpayers who modify their home to be accessible for disabled people who reside with such taxpayer. Under current law, up to one hundred thousand dollars in tax credits remaining unused under the rebuilding communities tax credit program are allocated for use by taxpayers who modify their homes for disabled persons residing with such taxpayers. This legislation increases the amount of available tax credits by allocating all unused tax credits under the rebuilding communities tax credit program for use by taxpayers who modify their homes for disabled persons residing with such taxpayers. The rebuilding communities tax credit program is capped at ten million dollars annually. Constructing additional rooms in the dwelling or a new structure on the property are added as a new eligible cost for which the tax credit may be claimed. SECTIONS 135.535 AND 135.562

This legislation provides an income tax deduction in the amount equal to 100% of the premium paid by the taxpayer during the taxable year for high deductible health plans established and used with a health savings account under the applicable provisions of the Internal Revenue Code to the extent the amount is not deducted on the taxpayer's federal income tax return for that taxable year. SECTIONS 143.116

LOCAL COMMUNITY HEALTH COALITIONS:
The Department of Social Services shall administer a grant in the amount of 350,000 dollars to a local government entity or local health department to be used for the establishment of a study to

assess the feasibility of pilot projects in the greater St. Charles and southeast bootheel areas of the state. Any grant awarded shall be matched in equal value by the grant recipient. The pilot projects shall have the involvement of the local community health coalition to establish new approaches to expand coverage for the uninsured population in the respective communities and to create healthier populations through a single comprehensive health care plan. The program shall be administered by the Department of Health and Senior Services and shall have a six-year sunset. SECTION 191.845

TRANSPARENCY OF HEALTH CARE SERVICES:
Establishes guidelines for transparency in pricing and quality of health care services. Criteria is established for insurers to use in programs that publicly assess and compare the quality and cost

FISCAL DESCRIPTION (continued)

efficiency of health care providers. A provider cannot decline to enter into a provider contract with an insurer solely because the insurer uses quality and cost efficiency of health care data programs.

A person who sells or distributes health care quality and cost efficiency data in a comparative format to the public is required to identify the source used to confirm the validity of the data and its analysis as an objective indicator of health care quality. This provision does not apply to articles or research studies that are published in peer-reviewed academic journals, nonprofit community-based organizations, or by state or local governments. The Department of Health and Senior Services is required to investigate complaints of alleged violations and is authorized to impose a penalty of up to $1,000. Alleged violations by health insurers will be investigated and enforced by the Department of Insurance, Financial Institutions, and Professional Registration. SECTIONS 191.1005 to 191.1010

MISSOURI HEALTHY WORKPLACE RECOGNITION PROGRAM:
This legislation requires the Department of Health and Senior Services to develop the Missouri Healthy Workplace Recognition Program for the purpose of granting official state recognition to employers with more than fifty employees for excellence in promoting health, wellness, and prevention. The criteria for awarding such recognition shall include at a minimum whether the employer offers workplace wellness programs; incentives for healthier lifestyles; opportunities for active community involvement and exercise, and encouragement of well visits with health care providers. SECTION 191.1025

INTERNET WEB-BASED PRIMARY CARE ACCESS PILOT PROJECT:
This legislation requires the Department of Health and Senior Services to award a grant to

implement an internet web-based primary care access pilot project designed as a collaboration between private and public sectors to connect, where appropriate, a patient with a primary care medical home, and schedule patients into available community-based appointments as an alternative to non-emergency use of the hospital emergency room. The criteria for the grant are specified in the act. SECTION 191.1200

TELEHEALTH:
This legislation expresses the state's recognition of the delivery of health care via telehealth as a safe, practical and necessary practice in the state. By January 1, 2009, the Department of Health and Senior Services shall promulgate quality control rules to be used in removing and improving the service of telehealth practitioners. SECTIONS 191.1250 to 191.1271

FISCAL DESCRIPTION (continued)

COMMUNITY AND FAITH-BASED ORGANIZATIONS:
This legislation requires the Office of Minority Health to solicit proposals from such community programs and organizations to develop solutions regarding health and wellness SECTIONS 192.083

MISSOURI FREE CLINICS FUND:
This legislation creates the "Missouri Free Clinics Fund" to be administered by the Department of Health and Senior Services for use by clinics in the Missouri free clinics association to increase their infrastructure and bolster their sustainability in order to serve a greater number of people in a more effective manner. For a one-time funding appropriation of 500,000 dollars from the General Assembly, the Department shall disburse funds via contracts in accordance with applicable guidelines, policies, and requirements established by the department. SECTION 192.990

TOBACCO USE PREVENTION, AND CESSATION FUND:
This legislation creates the tobacco use prevention and cessation fund. Beginning fiscal year 2009, payments received from the strategic contribution fund will be deposited into the newly created fund to be used to fund tobacco prevention and cessation programs. SECTION 196.1200

ADVERSE HEALTH EVENTS:
This legislation requires hospitals to report whenever they have a "serious reportable event in health care," as identified by the National Quality Forum. Such events include wrong-site surgery, retention of a foreign object in a patient after surgery, and death or serious disability associated with medication error.

The initial report of the event shall be reported to the patient safety organization no later than the close of business on the next business day following discovery of the incident. The initial report shall include a description of immediate actions taken by the hospital to minimize the risk of harm to patients and prevent reoccurrence. Within 45 days after the event occurred, the hospital shall submit to the patient safety organization a root cause analysis and a prevention plan.

The patient safety organization shall publish an annual report to the public on reportable incidents. The report shall show the number and rate per patient encounter by region and by category of reportable incident and may identify reportable incidents by type of facility. SECTIONS 197.551 TO 197.590

FISCAL DESCRIPTION (continued)

MO HEALTHNET:
Current law as to MO HealthNet eligibility was modified to reflect changes for custodial parents under 100 percent of the federal poverty level and how subject to appropriation certain earned income shall be disregarded for these participants. Individuals eligible due the disregard provision who are at least 19 years of age and less than 65 years of age shall receive health care coverage under the Insure Missouri plan, unless they are dual Medicare and Medicaid eligible or pregnant. SECTION 208.145

The Professional Services Payment Committee shall be required to review and make recommendations to the MO HealthNet Division regarding standards and policies for denying payment to a health care provider for treatment costs associated with preventable errors. SECTION 208.149

Prescribed medically necessary therapy services, including physical, occupational, and speech therapy, shall be covered under the Mo HealthNet program. SECTION 208.152.

This legislation requires third party payers to honor MO HealthNet subrogation claims for up three years from the date of service and grants the MO HealthNet Division authority to collect from third party payers through subrogation of claims. SECTION 208.215

This legislation also establishes the Insure Missouri program to be administered by the Department of Social Services to provide health care coverage. The Department shall be required to apply to the United States Department of Health and Human Services for a waiver and/or a state plan amendment to implement the program. SECTIONS 208. 1300 to 208.1345

HEALTH INSURANCE:
The Department of Insurance, Financial Institutions and Professional Registration shall administer a grant program to assist the start-up of non-profit broker organizations. Eligible participants shall apply to the Department for a grant, using a competitive application process prescribed by the Department. The Department shall award grants not to exceed twenty-five thousand dollars per applicant, with the maximum cumulative total of grants issued per fiscal year not to exceed one hundred thousand dollars. The Department shall establish eligibility and give preference to applicants who demonstrate the ability to enhance representation of low-cost health insurance coverage models in the market. This program shall expire in years unless re-authorized by the General Assembly. SECTION 376.025

Under this legislation, health carriers are allowed to include wellness and health promotion programs, condition or disease management programs, health risk appraisals programs, and

FISCAL DESCRIPTION (continued)

similar provisions in high deductible health plans or policies that comport with federal requirements, provided that such wellness and health promotion programs are approved by the Department of Insurance, Financial Institutions and Professional Registration. SECTION 376.685

This legislation modifies the provisions of Missouri's high risk pool to provide that the twelve-month preexisting condition exclusion period shall not apply for coverage if the person applying for pool coverage has at least three months of uninterrupted prior insurance coverage, so long as the application for pool coverage is made not later than sixty-three days following the loss of such health insurance coverage. SECTION 376.986

Under this legislation, the director of Insurance, Financial Institutions and Professional Registration is authorized to allow health reimbursement arrangement only plans that encourage employer financial support of health insurance or health related expenses recognized under the rules of the Internal Revenue Service to be approved for sale in connection with or packaged with individual health insurance policies otherwise approved by the director. SECTION 376.1600

The director shall study and recommend to the General Assembly changes to remove any unnecessary application and marketing barriers that limit the entry of new health insurance products into the Missouri market. The director shall examine state statutory and regulatory requirements along with market conditions which create barriers for the entry of new health insurance products and health insurance companies. The director shall also examine proposals adopted in other states that streamline the regulatory environment to make it easier for health

insurance companies to market new and existing products. The director shall submit a report of his or her findings and recommendations to each member of the General Assembly no later than January 1, 2009. SECTION 376.1618.

SCHOOL-BASED INFLUENZA VACCINATION PILOT PROGRAM:
The proposed legislation provides that by July 1, 2009, the Department of Health and Senior Services shall establish a school-based influenza vaccination pilot program. When creating the program, the Department shall use a vaccine that will minimize discomfort to those vaccinated, consume the fewest medical supplies, speed administration by health officials and contain the least potential adverse events. The Department shall also take into account the cost and benefits, fiscal impact, and any barriers to implementing such a program. SECTION 192.631

IMMUNIZATIONS FOR THE HUMAN PAPILLOMA VIRUS:
This legislation provides that female students enrolling in sixth grade may receive, at the option of a parent or guardian, an immunization for the human papillomavirus (HPV). The Department

FISCAL DESCRIPTION (continued)

of Health and Senior Services shall directly mail age appropriate information to parents or guardians of female students entering grade 6 regarding the connection between HPV and cervical cancer and the availability of the HPV immunization. Such information shall include the risk factors for developing cervical cancer, the connection between HPV and cervical cancer, how it is transmitted and how transmission can be prevented, the latest scientific information about the immunization's effectiveness, information about the importance of pap smears, and a statement explaining that questions from parents or guardians may be answered by a health care provider.

Each mailing shall request that the parents of female students entering grade 6 voluntarily furnish a written statement to the Department, not later than 20 days after the first day of school, stating that they have received the information and that the student has received the immunization or the parents have decided not to have the student immunized. The informational mailing sent to parents shall have displayed in bold type that the request from the parent or guardian for the written statement is voluntary. The form to be returned by the parents shall not request identifying information about the student, parent or guardian. Nothing in the legislation shall be construed to prevent school attendance if a parent has opted not to have the student receive the HPV immunization or has not furnished the written statement.

Subject to appropriations, if a parent or guardian chooses to have the female student immunized for the HPV infection but is unable to pay, the student shall be immunized at public expense at

or from the county, district, city public health center or a school nurse or with the costs of immunization paid through the Mo HealthNet program, private insurance or in a manner to be determined by the Department of Health and Senior Services subject to state and federal appropriations.

Beginning July 1, 2009, the Department shall submit to the General Assembly a report detailing the number of sixth grade female students who have and have not been immunized against the HPV infection and the number of non-responses to the request for the written statement. The information derived from the written statement shall be used for statistical purposes only and shall not be used to personally identify any parent or guardian, or any student. SECTION 167.182

PRESCRIPTIVE AUTHORITY FOR SCHEDULED DRUGS:
Currently, advanced practice registered nurses have the authority to administer, dispense and prescribe certain drugs while operating under a collaborative practice agreement. This legislation authorizes advanced practice registered nurses who hold a certificate of controlled substance

FISCAL DESCRIPTION (continued)

prescriptive authority from the board of nursing to prescribe controlled substances in schedules III, IV, and V while operating under a collaborative practice agreement.

The legislation contains requirements that must be contained in all collaborative practice agreements. The legislation defines advanced practice registered nurse, certified advanced registered nurse practitioner, certified clinical nurse specialist, certified nurse midwife, and certified registered nurse anesthetist. The legislation includes experience and practice requirements that are prerequisites for the Board of Nursing to grant a certificate of controlled substance prescriptive authority. SECTION 195.070

COMPREHENSIVE DAY REHABILITATION:
The proposed legislation adds as a covered service under the MO HealthNet program comprehensive day rehabilitation services.

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

Budget and Planning Division
Office of the Attorney General
Department of Agriculture
Department of Higher Education
Office of Administration
Department of Economic Development
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions & Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Department of Public Safety
Missouri Governor's Office

SOURCES OF INFORMATION (continued)

Missouri Senate
Missouri Consolidated Health Care Plan
Legislative Research-Oversight Division
Office of the Lieutenant Governor
Missouri House of Representatives
Department of Highways and Transportation
Missouri State Highway Patrol

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