

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0809-01  
Bill No.: SB 149  
Subject: Health Department; Health, Public; Employees-Employers  
Type: Original  
Date: March 2, 2009

Bill Summary: This legislation enacts provisions relating to health care technology.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown but Greater than \$304,166)	(Unknown but Greater than \$325,000)	(Unknown but Greater than \$325,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown but Greater than \$304,166)</b>	<b>(Unknown but Greater than \$325,000)</b>	<b>(Unknown but Greater than \$325,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Road Fund	(Unknown)	(Unknown)	(Unknown)
Health Care Technology Fund	(\$400,000)	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown but Greater than \$400,000)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and costs of approximately \$104,167 in FY10, \$125,000 in FY11 and FY12 would net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Conservation, Missouri Consolidated Health Care Plan, Missouri House of Representatives, Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Public Safety** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

Officials from the **Missouri State Highway Patrol (MSHP)** states the Department of Highways and Transportation (DHT) will be responding on behalf of the MSHP.

Officials from the **Department of Highways and Transportation** state Section 191.1265 of the proposed legislation states that "beginning July 1, 2010, all health carriers, as defined under 376.1350 RSMo, shall reimburse services provided through telehealth in the same manner they would reimburse a standard office visit or consultation by the provider or specialist. The Department of Social Services shall promulgate rules for the MO HealthNet program consistent with the provisions of this section." This suggests that telehealth visits will be treated the same as office visits regarding reimbursement. Provided this applies to the MoDOT/MSHP Medical Plan, it is unclear how this would effect the MoDOT/MSHP Medical Plan, as it is difficult to estimate how many telehealth services will be provided and the costs associated.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state Section 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 legislation will create additional work for DMH in preparing reports (shifting demographics study). These costs cannot be quantified.

Officials from the **Department of Health and Senior Services (DHSS)** states Section 191.1008 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.

This legislation would require the Department to promulgate rules for the processes for the investigations and also work with the program staff to levy the fines authorized by law.

It is unknown how many complaints of alleged violations will be received by the Department. Depending upon the increase in workload, additional staff may be required.

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 section.

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 of Regulation and Licensure (DRL) 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.

ASSUMPTION (continued)

Officials from the **Department of Social Services** states Section 191.1005 will have a fiscal impact to the MO HealthNet Division (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. The first year cost (\$208,333) is calculated for 10 months and the second and third year costs (\$250,000) are for 12 months.

The fiscal impact for this Section 191.1200.1 will be a one-time cost of \$400,000 as stated in the legislation.

Section 191.1250 to 191.1271: The MHD currently provides telehealth services so there will not be any additional impact for services.

The MHD is required to promulgate rules that will comply with the provision (Section 191.1265.1) that states that telehealth services will be reimbursed in the same manner as standard office visits or consultations. Currently, MHD pays for these services differently than for standard office visits and consultations. It is assumed that rules will be promulgated that will comply with this section and that the result will not fiscally impact the MHD.

FY10 costs unknown > \$608,333 (unknown > \$504,166.50 GR)

FY11 costs unknown > \$250,000 (unknown > \$125,000 GR)

FY12 costs unknown > \$250,000 (unknown > \$125,000 GR)

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Mental Health</u>			
Program Costs	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
<u>Costs - Department of Health and Senior Services</u>			
Program Costs	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)	(Unknown but Greater than \$100,000)
<u>Costs - Department Social Services</u>			
Program Costs	<u>(Unknown but Greater than \$104,166)</u>	<u>(Unknown but Greater than \$125,000)</u>	<u>(Unknown but Greater than \$125,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown but Greater than \$304,166)</u></b>	<b><u>(Unknown but Greater than \$325,000)</u></b>	<b><u>(Unknown but Greater than \$325,000)</u></b>
<b>ROAD FUND</b>			
<u>Costs - Department of Highways and Transportation</u>			
Program Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

**HEALTH CARE TECHNOLOGY  
 FUND**

<u>Costs</u> - Department Social Services			
Program Costs	<u>(\$400,000)</u>	<u>\$0</u>	<u>\$0</u>

<b>ESTIMATED NET EFFECT ON    HEALTH CARE TECHNOLOGY    FUND</b>	<b><u>(\$400,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**FEDERAL FUNDS**

<u>Income</u> - Department of Social Services			
Federal Assistance	Unknown but Greater than \$104,167	Unknown but Greater than \$125,000	Unknown but Greater than \$125,000

<u>Costs</u> - Department of Social Services			
Program Costs	<u>(Unknown but Greater than \$104,167)</u>	<u>(Unknown but Greater than \$125,000)</u>	<u>(Unknown but Greater than \$125,000)</u>

<b>ESTIMATED NET EFFECT ON    FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

The proposed legislation enacts provisions relating to health care technology.

### TRANSPARENCY OF HEALTH CARE SERVICES:

This legislation 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 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

### INTERNET WEB-BASED PRIMARY CARE ACCESS PILOT PROJECT:

This legislation requires the General Assembly to appropriate \$400,000 from the Health Care Technology Fund to the Department of Social 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 as consistent with federal law and regulations. The criteria for the grant are specified in the act. SECTION 191.1200

### TELEHEALTH:

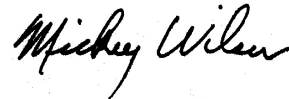
This legislation expresses the state's recognition of the delivery of health care via telehealth as a safe, practical and necessary practice in the state. By January 1, 2010, the Department of Health and Senior Services shall promulgate quality control rules to be used in removing and improving the service of telehealth practitioners. SECTIONS 191.1250 to 191.1277

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

Missouri State Highway Patrol  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Health and Senior Services  
Department of Social Services  
Department of Public Safety  
Missouri Consolidated Health Care Plan  
Department of Conservation  
Office of the Secretary of State  
Department of Highways and Transportation  
Missouri House of Representatives



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