

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1809-02  
Bill No.: Truly Agreed To and Finally Passed SCS for SB 376  
Subject: Hospitals; Health Care; Education - Higher  
Type: Original  
Date: May 14, 2013

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Bill Summary: This proposal allows hospital districts to permit higher education institutions to use space for health care education or training.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Colleges and Universities	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this legislation would allow institutions of higher education to use or occupy a portion of a hospital district to provide health care related education or training. Some hospitals are paid Graduate Medical Education (GME) funds; however, for a hospital to receive GME, the hospital must provide graduate medical education, i.e. be a teaching hospital. Before GME can be recognized by MHD, it must be approved by the Centers for Medicare and Medicaid Services (CMS). Therefore, this proposal could have a fiscal impact to MHD, but the amount is unknown. Since MHD uses the 4<sup>th</sup> prior year cost report to establish reimbursement, there would not be a fiscal impact to the MHD for the fiscal note period. However, starting in FY 17, there would be a cost, but the amount is unknown.

Officials from the **University of Central Missouri (UCM)** assumed the proposal would have no fiscal impact unless cost savings eventually resulted from UCM leasing space from a hospital in proximity for less cost than the space UCM's nursing program is currently occupying. It is impossible to estimate a fiscal impact at this time.

Officials from **Metropolitan Community College** stated the proposal would have a positive, although unknown, fiscal impact on the college.

Officials from the **Linn State Technical College** stated the proposal would have an unknown, positive impact on Linn State.

**Oversight** assumes this proposal will have an unknown, positive fiscal impact on colleges and universities due to potential savings resulting from leasing space from hospitals for health care education and training. Likewise, the proposal may result in potential additional revenue to county hospitals if they lease space to colleges and universities for this purpose.

Officials from the **Department of Higher Education (DHE)** state the proposal would have no direct, foreseeable fiscal impact on the DHE.

Officials from the **Department of Health and Senior Services, Missouri State University, Northwest Missouri State University** and the **University of Missouri** each assume the proposal would not fiscally impact their respective agencies.

No additional colleges and universities responded to **Oversight's** request for a statement of fiscal impact.

No officials from counties or hospitals responded to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Savings - Colleges and Universities</u>			
Reduction in leasing expenditures	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2014 (10 Mo.)	 FY 2015	 FY 2016
<b>COUNTY HOSPITALS</b>			
<u>Income - County Hospitals</u>			
Rent income from leasing space to colleges and universities	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON COUNTY HOSPITALS</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

FISCAL IMPACT - Small Business

The proposal may negatively impact real estate businesses that lease space to colleges and universities if the institutions of higher education decide to lease space from local county hospitals for health care education and training programs.

FISCAL DESCRIPTION

This proposal allows hospital districts to lease to or allow for any institution of higher education to use or occupy the hospital, any real estate or facility owned or leased by the district, or any part of the hospital for the purpose of health care related and general education or training.

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

Department of Higher Education  
Department of Health and Senior Services  
Department of Social Services -  
    MO HealthNet Division  
Linn State Technical College  
Metropolitan Community College  
Missouri State University  
Northwest Missouri State University  
University of Central Missouri  
University of Missouri



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