

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4341-06
Bill No.: Truly Agreed To and Finally Passed HCS for SCS for SB 567
Subject: Health Department; Elderly
Type: Original
Date: June 3, 2014

Bill Summary: This proposal modifies provisions relating to public health.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$46,441)	(Unknown, greater than \$70,468)	(Unknown, greater than \$71,722)
Total Estimated Net Effect on General Revenue Fund	(\$46,441)	(Unknown, greater than \$70,468)	(Unknown, greater than \$71,722)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Expenses and revenues net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

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

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§174.335 - Meningococcal vaccinations for college students

Officials at the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** assume this requirement would apply to all college age eligibles in the first year and then to first year college students in the next years. There are currently 12,998 eligibles age 18 (Non CHIP) and 3,313 age 18 (CHIP). In addition, there are 3,538 eligibles age 19; 4,215 age 20; and 4,781 age 21.

The cost of the vaccine is covered by the Vaccine for Children (VFC) program for MHD eligibles through the age of 18, except for CHIP eligibles. The estimated cost of the vaccine is \$130.00. MHD reimburses \$5.00 for the administration of the vaccine. Therefore, the cost for the non-CHIP age 18 is \$5.00. The cost for other eligibles is \$135.00.

According to National Center for Education Statistics' 2013 Digest of Education Statistics (U.S. Department of Education), 52.1% of low-income high school graduates attend college. According to the Census bureau, 14% of students live in on-campus housing. MHD assumed the on-campus rate would be higher for first year students, so the rate was double to 28% for FY16 and FY17.

The total cost to MHD in the first full year will be \$160,800. To calculate the FY15 cost, it is assumed that there would only be 10 months of cost so, $\$160,800 / 12 \text{ months} * 10 \text{ months} = \$134,010$ (\$87,569 FF, \$46,441 GR). The federal match rate for these services is 63.095%, except for the higher income CHIP eligibles, which is 74.17%.

Oversight notes from discussions with DSS staff that the reason 14% was used for FY 15 as the percentage of students in on-campus housing is because it is the average of college students across all four years. Typically the number of Freshman will be significantly higher than the number of Seniors living on campus. Then, for FYs 16 and 17, only the percentage of Freshman anticipated to be living in on-campus housing and needing vaccinations is used.

In response to similar legislation (HB 1590), officials from the **University of Missouri** assumed the proposal would have no fiscal impact on their organization.

§191.761 - Umbilical cord blood courier services

Officials from the **Department of Health and Senior Services (DHSS)** state section 191.761.1 will require the DHSS to use a courier service to transport collected, donated umbilical cord blood samples to the Saint Louis Cord Blood Bank at Cardinal Glennon Children's Medical Center.

ASSUMPTION (continued)

DHSS has an existing courier system that is utilized to collect newborn screening specimens. Currently this system collects newborn screening specimens from 46 birthing hospitals five days per week.

In order for the existing courier service to be utilized for the transport of cord blood, several modifications will be required. Transport of cord blood requires temperature controlled transportation, adherence to specific delivery time-frames, and chain of custody protocols. Cord blood specimens will not remain viable for medical usage if these requirements are not strictly adhered to. Costs associated with the required modifications and storage of specimens are unknown, but anticipated to be significant. Total costs associated to implement this service will be unknown until after the Department has completed the state procurement bid process for contracted services.

DHSS assumes it would be required to provide courier service to the 22 birthing centers that are designated and trained to provide cord blood to the St. Louis Cord Blood Bank. Seventeen of these birthing centers are already in a DHSS courier system that operates Monday through Friday. Courier services would need to be expanded to seven days per week for these 17 birthing centers. In addition, courier services for seven days per week for the five new locations would be needed. The estimated cost associated with adding weekend courier pick up to the existing 17 hospitals is \$26,100; the cost for adding five new locations for seven days a week is \$22,805.

No costs for FY 15 are anticipated as the provisions of this proposal are not effective until July 1, 2015. The DHSS assumes the total cost of this proposal to the General Revenue Fund will be unknown, greater than \$50,127 for FY 16 and unknown, greater than \$51,381 for FY 17.

Officials from the **DSS-MHD** state the provisions of section 191.761 will have no fiscal impact on the MHD.

§197.168 - Influenza vaccinations for people 65 years and older

Officials from the **DSS-MHD** state any increased cost covered by Medicaid as the primary payer would not be captured for a few years because MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Since the first requirement is effective August 28, 2014, the increased cost would begin to be reflected in 2014 cost reports. MO HealthNet would use 2014 cost reports to establish reimbursement for state FY 18. Therefore, there would not be a fiscal impact to the MHD for FY 15, FY 16, and FY 17, but starting FY 18, there could be an immaterial increase in costs.

ASSUMPTION (continued)

§§660.400 - 660.424 - Adult day care programs

Officials from the **DHSS** state for FY15, section 660.424 will require the Division of Senior and Disability Services (DSDS) to devote staff time to the evaluation of the program rate structure in conjunction with the adult day care programs. DSDS assumes it can absorb this cost.

Bill as a whole

Officials from **Missouri State University (MSU)** assume the bill would have a negative fiscal impact on MSU, the extent of which cannot be determined and quantified at the present time.

Oversight assumes, based on the no fiscal impact responses of other colleges and universities in Missouri, that MSU can absorb the impact of this proposal within current funding levels.

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

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any indigent clients faced with the enhanced penalties for failing to follow the guidelines regarding adult day cares escalated to a new class D felony.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** state the penalty provisions for violations, the component of the bill to have a potential fiscal impact for DOC, is for up to a class D felony. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

ASSUMPTION (continued)

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase of direct offender costs either through incarceration (FY 13 average of \$18.014 per offender, per day, or an annual cost of \$6,575 per inmate) or through supervision provided by the Board of Probation and Prolongation (FY 13 average of \$5.07 per offender, per day, or an annual cost of \$1,851 per offender).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence and the probability exists that offenders would be charged with a similar, but more serious offense, or that sentences may run concurrent to one another.

The DOC assumes supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal will have no measurable fiscal impact on the OPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

Oversight assumes the potential responsibilities imposed on county prosecutors as a result of this proposal, will be absorbable within current funding and staffing levels.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Department of Higher Education**, the **Department of Mental Health**, the **Department of Public Safety (DPS) - Division of Fire Safety**, the **DPS - Missouri State Highway Patrol**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **OA - Information Technology Services Division**, **Linn State Technical College**, **Missouri Western State University**, **Northwest Missouri State University**, and the **University of Central Missouri** assume the proposal would not fiscally impact their agency.

In response to previous versions of legislation included in this proposal, officials from the **Office of Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of

ASSUMPTION (continued)

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 this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized 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 within its 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.

Officials from the **Missouri Department of Transportation** did not respond to **Oversight’s** request for a statement of fiscal impact.

Officials from the following **colleges**: Crowder, Harris-Stowe, Jefferson College, Linn State Technical College, Lincoln University, Missouri Southern State University, Southeast Missouri State University, and Truman State University did not respond to **Oversight’s** request for fiscal impact.

Officials from the following **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Medical Center, Putnam County Memorial Hospital, and Washington County Memorial Hospital did not respond to **Oversight’s** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
	(10 Mo.)		
GENERAL REVENUE FUND			
<u>Costs - DSS-MHD (\$174.335)</u>			
Vaccine and administration costs	(\$46,441)	(\$20,341)	(\$20,341)
<u>Costs - DHHS (\$191.761)</u>			
Transportation costs	<u>\$0</u>	<u>(Unknown, greater than \$50,127)</u>	<u>(Unknown, greater than \$51,381)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$46,441)</u>	<u>(Unknown, greater than \$70,468)</u>	<u>(Unknown, greater than \$71,722)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS			
<u>Income - DSS-MHD</u>			
Increase in vaccination and administration revenues (§174.335)	\$87,569	\$54,344	\$54,344
<u>Costs - DSS-MHD</u>			
Increase in vaccination and administration expenses (§174.335)	<u>(\$87,569)</u>	<u>(\$54,344)</u>	<u>(\$54,344)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business adult day care providers may be impacted by this proposal, depending on the rate structure developed by the Department of Health and Senior Services.

FISCAL DESCRIPTION

MENINGOCOCCAL VACCINE (Section 174.335)

This bill requires all students residing in on-campus housing to have received the meningococcal vaccine unless a signed statement of medical or religious exemption is on file with the institution's administration. A medical exemption requires a signed certification by a physician licensed to practice in Missouri indicating that the immunization would seriously endanger the student's health or life or the student has documentation of disease or laboratory evidence of immunity to the disease. A religious exemption requires the student to object in writing that immunization violates his or her religious beliefs.

FISCAL DESCRIPTION (continued)

UMBILICAL CORD BLOOD BANK (Section 191.761)

Beginning July 1, 2015, this act requires the Department of Health and Senior Services to transport collected, donated umbilical cord blood samples to a nonprofit umbilical cord blood bank located in St. Louis City in existence as of the effective date of the act. The collection sites shall only be those facilities designated and trained by the blood bank in the collection and handling of umbilical cord blood specimens.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

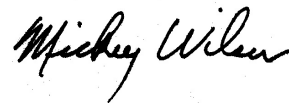
SOURCES OF INFORMATION

Department of Higher Education
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Department of Public Safety -
 Division of Fire Safety
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Joint Commission on Administrative Rules
Missouri Department of Conservation
Office of Administration -
 Administrative Hearing Commission
 Information Technology Services Division
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender
Linn State Technical College
Missouri State University
Missouri Western State University
Northwest Missouri State University
University of Central Missouri
University of Missouri

SOURCES OF INFORMATION (continued)

Not Responding:

Missouri Department of Transportation



Mickey Wilson, CPA
Director
June 3, 2014

Ross Strobe
Assistant Director
June 3, 2014