

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5335-03
Bill No.: HCS for SCS for SB 716
Subject: Health, Public; Health Care; Department of Health; Hospitals; Elderly
Type: Original
Date: April 17, 2014

Bill Summary: This proposal changes the laws regarding public health.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	(Unknown, greater than \$50,127)	(Unknown, greater than \$51,381)
Total Estimated Net Effect on General Revenue Fund	\$0	(Unknown, greater than \$50,127)	(Unknown, greater than \$51,381)

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 6 pages.

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

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

§ 191.761 - Establishment of cord blood collection sites:

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.

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, modifications will be required. Transport of cord blood requires temperature controlled transportation, adherence to specific delivery timeframes, and chain of custody protocols. Cord blood specimens will not remain viable for medical usage if these requirements are not strictly adhered. 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.

It is assumed DHSS 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 already exist 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.

Bill as a Whole:

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state any increased cost covered by Medicaid as the primary payer would not be captured until FY '18 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

ASSUMPTION (continued)

would begin to be reflected in 2014 cost reports. MO HealthNet would use 2014 cost reports to establish reimbursement for state FY18. Therefore, there would not be a fiscal impact to the MHD for FY15, FY16, and FY17, but starting FY18, there could be an immaterial increase in costs.

Officials from the **Missouri Department of Transportation**, the **Missouri Consolidated Health Care Plan**, the **Joint Commission on Administrative Rules**, and the **Missouri Department of Conservation** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation Employee Benefits Section for response on behalf of the Highway Patrol. Please see their fiscal note for the potential fiscal impact of this proposal.

Officials from the **Office of Secretary of State (SOS)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in response to similar legislation (HCS HB 1193) SOS officials 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 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 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 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<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>
Total <u>Costs</u> - DHHS	<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>\$0</u>	<u>(Unknown, greater than \$50,127)</u>	<u>(Unknown, greater than \$51,381)</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

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

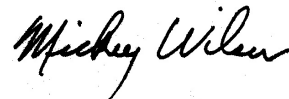
FISCAL DESCRIPTION

This proposal provides, beginning July 1, 2015, the Department of Health and Senior Services will provide a courier service to transport collected, donated umbilical cord blood samples to a nonprofit umbilical cord blood bank in the City of St. Louis. The collection sites are only to 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 Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Joint Commission on Administrative Rules
Missouri Department of Conservation
Office of Secretary of State



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April 17, 2014

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