

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5477-08
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SS No. 2 for SB 754
Subject: Social Services Department; Public Assistance; Pharmacy; Elderly
Type: Original
Date: June 9, 2014

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$5,541,073 to Greater than \$10,124,308)	(\$6,608,270 to Greater than \$11,879,883)	(\$6,614,705 to Greater than \$11,995,114)
Total Estimated Net Effect on General Revenue Fund	(\$5,541,073 to Greater than \$10,124,308)	(\$6,608,270 to Greater than \$11,879,883)	(\$6,614,705 to Greater than \$11,995,114)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 26 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Missouri Healing Arts Board	(\$1,513)	\$2,936	(\$577)
Healthy Families Trust	(\$4,032,214)	(\$4,838,657)	(\$4,838,657)
Missouri RX Plan	(\$10,453,657)	(\$12,544,388)	(\$12,544,388)
Medical Clinics in Medically Underserved Areas*	\$0	\$0	\$0
University	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$14,487,384)	(\$17,380,109)	(\$17,383,622)

* Income and expenditures net to \$0.

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

** Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	2	2	2
Total Estimated Net Effect on FTE	2	2	2

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

§105.711 - Legal defense fund

Officials from the **Office of Administration (OA) - Division of General Services** state section 105.711(3)(d) would result in unknown costs to the state legal expense fund.

Officials from the **Department of Social Services (DSS)** state this section will have no fiscal impact on the DSS.

§174.335 - Meningococcal vaccines 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 would 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.

ASSUMPTION (continued)

Officials from the **Department of Higher Education (DHE)** state section 174.335 requires students who reside in on-campus housing to receive the meningococcal vaccine (unless they show immunity to the disease) or sign a waiver stating it is against their religion. The DHE does not need to collect any documents, so there is no fiscal impact to the department. The universities are already required to collect students' vaccination status, so there should not be an extra cost to them.

§191.761 - Umbilical cord blood courier service

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 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.

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ASSUMPTION (continued)

Officials from the **DSS** state this section will have no fiscal impact on the MO HealthNet Division (MHD).

§191.990 - Diabetes prevention

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** assume this proposal is not directing the MHD to put together a new diabetes management program but rather to work together with the Department of Health and Senior Services, develop action plans, write reports with outcomes, costs, and impact estimates, and estimate what it would cost to develop new programs and budget requests. There will be no fiscal impact to MHD.

§191.1140 - Show-Me Extension for Community Health Care Outcomes (ECHO) Program

Officials from the **University of Missouri (UM or University)** state the funding for the Show-Me Extension for Community Health Care Outcomes (ECHO) Program is subject to appropriations. Presently, \$1.5 million in funding for the ECHO Program has been combined with the Telehealth Network funding in HB 3. This is the annual cost of the program that has been developed and designed by the University. There will be additional costs if the program is expanded.

Oversight notes funding is subject to appropriations and is presenting the cost as \$0 or (\$1,500,000) to the General Revenue Fund.

Officials from the **DHE** state section 191.1140 creates the telehealth program ECHO (Show-Me Extension for Community Health Care Outcomes). The Department of Health and Senior Services is the department collaborating with the University of Missouri, so there is no cost associated with this legislation to the DHE. Since it also utilizes current telehealth technology, it is assumed there is minimal cost to the University of Missouri.

Officials from the **DSS** assume the proposal would not fiscally impact their agency since the program will utilize current telehealth technology.

§195.070 - Controlled substances

Officials from the **DSS** state physician assistants are not currently recognized as a provider type for MHD/Medicaid. Therefore, this section does not have a fiscal impact on the DSS.

ASSUMPTION (continued)

§197.168 - Influenza vaccinations for persons 65 and older upon hospital discharge

Officials from the **DSS-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 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.

§208.141 - Hospital reimbursement fo donor breast milk

Officials at the **DSS** assume this proposal would require the MO HealthNet Division to reimburse hospitals for medically necessary human breast milk for critically-ill infants who are in the neonatal intensive care unit of a hospital. Currently, under the MO HealthNet Managed Care program, MO HealthNet reimburses health plans for all of the services for infants who are in the neonatal intensive care unit with a lump sum payment called a Neonatal Intensive Care Unit (NICU) payment. Then, the health plan pays the hospital. If the physician orders the human breast milk and it is determined to be medically necessary, it would be included in the NICU payment. Therefore, there is no fiscal impact to the MO HealthNet Managed Care program from this legislation.

§§208.631 to 208.646 - CHIP asset limits and qualifying time

Officials from the **DSS-MHD** state, for section 208.631, that according to assumptions by the Family Support Division (FSD), these children are already eligible but will be eligible for coverage three months earlier than they would be under the current policy. There currently are 99 (35 fee-for-service (FFS) and 64 Managed Care) premium paying children who lose their coverage each month for three months. It is assumed this change will affect only one cohort of children since all future children will need to be "uninsured" for only ninety (90) days.

The maximum fiscal impact will be the average monthly cost offset by the average monthly premium for three months. The annual cost will be \$11,908. This assumes all families will immediately apply for coverage after the 90 day period. It is unknown what the actual time frame will be for families to apply for coverage.

For section 208.636, according to assumptions provided by FSD, there are very few CHIP children rejected due to the asset limit. Therefore, there will be no fiscal impact to the Managed Care Program.

ASSUMPTION (continued)

For section 208.646, according to assumptions by FSD, there are 493 (175 Fee-for-Service (FFS); 318 Managed Care) children each month who are removed from CHIP coverage for three months for failure to pay a CHIP premium. These are new children each month (not duplicated) and it is assumed that the same number will continue to lose coverage each month. It is assumed that these children will regain their eligibility three months earlier than they would have previously.

The fiscal impact will be the average monthly cost for these children offset by the average monthly premium for three months. An annual cost was calculated assuming that not all three months of the fiscal impact will occur within the same fiscal year as the child lost eligibility. The annual cost will be \$534,439. The cost is shown as unknown less than the cost for 3 months of coverage as this is the maximum cost that MO HealthNet would occur based on current participant data. Today some families may not seek coverage until later in the six month period when the child needs medical care; for these families MHD may not incur 3 months of additional costs. Some families may have affordable care for their children through the insurance exchange and not receive services under CHIP.

It is assumed the FY15 cost will be for 10 months and FY16 and FY17 will have a 2.9% trend factor added.

FY15: Total (Unknown, less than \$455,289) - (GR < \$117,601; Federal < \$337,688);

FY16: Total (Unknown, less than \$562,191) - (GR < \$145,214; Federal < \$416,977);

FY17: Total (Unknown, less than \$578,493) - (GR < \$149,425; Federal < \$429,068).

§208.662 - Show-Me Healthy Babies

Officials from the **DSS-MHD** provide the following information:

The Family Support Division (FSD) assumes that 1,844 unborn children will be enrolled. This is the number of Medicaid for Pregnant Women (MPW) who were denied coverage for income between 185% and 300% of FPL. MHD assumes that pregnant women will be enrolled and not the unborn child. MHD further assumes that the coverage would be similar to the current coverage for the MPW population, which could include other medical issues for the mother that could affect the unborn baby (for example, diabetes or an infection). The cost per member per month (PMPM) for the MPW population is \$579.11. The total cost for a year would be \$12,814,546 (1,844 x \$579.11 x 12). There may be some additional unknown costs for programming, so that this new category of aid can be identified.

Section 208.662. 4 - requires the DSS to set up a presumptive eligibility procedure for enrolling an unborn child.

ASSUMPTION (continued)

FSD currently has presumptive eligibility procedures in place.

Section 208.662. 5 - states that coverage for the child shall continue for up to one year after birth.

MHD currently covers children age 0 - 1 between 185% - 300% of FPL under the CHIP program. This would have no additional fiscal impact on MHD.

Section 208.662.6 - requires coverage for the mother to continue through the last day of the month that includes the sixtieth day after the pregnancy ends. Coverage for the mother shall be limited to pregnancy-related and postpartum care.

These costs would be included in the yearly cost of the MPW population.

Section 208.662. 7 - defines the ways that the DSS may provide coverage. These include paying the health care provider directly or through managed care; a premium assistance program; a combination of the two; or a similar arrangement.

MHD assumes a one-time cost for managed care rate development of \$50,000.

Section 208.662. 8 - requires the department to provide information about the Show-Me Healthy Babies Program to maternity homes, pregnancy resource centers, and similar agencies and programs in the state. It also states the department shall consider allowing such agencies to assist in enrollment and presumptive eligibility and verification of the pregnancy.

Section 208.662.9 - requires the DSS to submit a state plan amendment or seek necessary waivers within sixty days after the effective date of this section to United States Department of Health and Senior Services.

MHD currently has a state plan amendment for CHIP. MHD assumes that it could submit this new state plan amendment with existing staff.

Section 208.662.10 - requires the DSS to prepare and submit a report on cost savings and benefits at least annually.

MHD assumes that it would contract this service out at a cost of \$40,000 per year.

Section 208.662.11 - states that the Show-Me Healthy Babies Program shall not be deemed an entitlement program, but instead shall be subject to federal allotment or appropriations and matching state appropriations.

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ASSUMPTION (continued)

Section 208.662. 2 - states that the state is not obligated to continue this program if the allotment or payments from the federal government end or are not sufficient to operate the program, or if the general assembly does not appropriate funds for the program.

MHD assumes that if the waiver were not approved or if state match were not appropriated, that this program would cease to exist.

Section 208.662.13 - states that nothing in this section shall be construed as expanding MO HealthNet or fulfilling a mandate imposed by the federal government or the state.

Total costs for the program, would be \$12,814,546 in FY13 for the unborn population plus \$40,000 per year for reporting, and a one-time rate development cost of \$50,000 and a one-time unknown cost for programming in FY15. It is also assumed that the unborn cost in FY15 will only be for a 10-month period. A 2.9% medical inflation was added to the FY13 program costs for FY14 and FY15 to arrive at the FY15 cost. An additional 2.9% medical inflation cost was added to FY16 and FY17. The federal match for CHIP services is 74.170%. Rate development, reporting and programming costs would receive a federal match rate of 50%.

FY15 (10 months): \$0 to > \$11,397,139 (GR > \$2,965,634; Federal > \$8,431,505);
FY16: \$0 to \$14,002,055 (GR \$3,626,399; Federal \$10,375,656); and
FY17: \$0 to \$14,406,954 (GR \$3,730,984; Federal \$10,675,970).

The program is subject to appropriations.

Officials from the **DSS** responded for the **OA - Information Technology Services Division (ITSD)/DSS** regarding the fiscal impact of this proposal by providing that ITSD assumes that implementation of this program will require system changes. If the changes are made on top of the proposed new eligibility and enrollment system, the costs are unknown, but greater than \$18,912 (300 hours X \$63.04/hour) for FY15. These costs are split 50%/50% between the General Revenue fund and federal funds.

Officials from the **OA - Commissioner's Office** state due to the possible duplication of services and the differences between services provided, it is unknown at this time how the Alternatives-to-Abortion (A2A) program would be impacted if this proposal is passed.

ASSUMPTION (continued)

§208.790 - MO RX Prescription Drug Program Eligibility

Officials from the **DSS-MHD** state this section of the proposal restricts eligibility to 185% of the Federal Poverty Level (FPL). The current eligibility limits and the 185% FPL limits are as follows:

	<u>Current</u>	<u>185% FPL</u>
Single	\$21,660	\$21,590
Married	\$29,140	\$29,101

Therefore, this provision of the proposal will not result in a fiscal impact to the program.

Oversight notes the 185% FPL income limit is slightly lower than the current eligibility limits used by the MO RX Program. Oversight assumes the differences will not result in a significant change in the number of recipients that qualify for benefits and that any savings due to a reduction in beneficiaries will be insignificant to the program.

§208.798 - Sunset Provisions for MO RX Prescription Drug Program

Officials from the **DSS-MHD** state this legislation does not have a fiscal impact since the legislation is simply extending the program until August 28, 2017

Oversight assumes extending the MO RX Prescription Drug Program, rather than letting it expire on August 28, 2014, will result in costs to the state. Oversight notes the Governor's recommendations for FY15 include funding for the program of \$23,753,091 (General Revenue \$6,370,046; Healthy Families Trust Fund \$4,838,657; Missouri RX Plan Fund \$12,544,388). These numbers are consistent with the FY14 budget.

For fiscal note purposes, Oversight will assume funding for the MO RX Plan Program will be \$23,753,091 annually for the period covered by the fiscal note.

§§334.035, 334.036 and 334.037 - Assistant Physician licensing and collaborative agreements

Officials from the **DHSS** state sections 334.036 and 334.037 create the Assistant Physician classification. It is assumed the Office of Administration - Information Technology Services Division (ITSD)/DHSS will add this classification to the MOHRORx database that tracks controlled substances.

Support from ITSD will be needed to modify an existing application to enable the registration of the new licensure type of "Assistant Physician" as created in section 334.037. Modifications will also be required of the data feed from the Department of Insurance, Financial Institutions and Professional Registration.

ASSUMPTION (continued)

For purposes of estimation, it is assumed to be a 12-week project with work being completed by ITSD/DHSS application developers. The changes will be modeled after the current physician registration. Once the modifications are complete, ongoing maintenance will be accomplished with the existing maintenance project. One-time costs in FY15 are estimated to be approximately \$30,688.

Oversight assumes the DHSS would not need additional rental space and related costs for ITSD/DHSS application developers for 12 weeks.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state based on projections from a member of the Missouri State Medical Association, it is estimated that 121 individuals in the state of Missouri will be required to be licensed. In addition, a 3 percent growth rate has been estimated. It is estimated that the collection of initial fees will begin in FY16 and renewal fees will not be collected until FY18. Once the fees for the board are established by rule, other fees could offset the estimated costs. Initial license and renewal fees are estimated to be \$30 biennially. Therefore, FY16 licensure fees are estimated to be \$3,630; FY17 licensure fees are estimated to be \$120.

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as costs for mailings associated with initial licensure. Estimated FY15 printing and postage costs total \$1,513; subsequent year's printing and postage costs, based on a board of similar size, are estimated to be \$547 annually.

Based on a board of similar size, it is estimated that the board will receive five (5) complaints annually, in which one (1) will require an investigation that results in overnight travel expenses. The division does not anticipate receiving any complaints until FY16. Therefore, it is estimated that \$143 in annual investigative expenses will be incurred beginning in FY16.

NOTE: DIFP notes that the projected number of potential applicants is based on projections from the Missouri State Medical Association. In the event that the number of applicants is excessively higher, and/or workload is dramatically different than the proposed estimates, the Board of Healing Arts may need to hire more staff members and additional staff may be requested through a second decision item. Additionally, if there is a need for increased litigation, the DIFP estimates these costs would be \$5,000 or greater.

Officials from the **DSS** state these physician assistant provisions in this bill will have no fiscal impact on the DSS.

ASSUMPTION (continued)

§334.735 - Physician assistants as Medicaid providers

Officials from the **DSS** state both the Missouri Medicaid Audit Compliance (MMAC) Unit and MHD reviewed this section of the legislation. Currently physician assistants are not enrolled independently as Medicaid providers. They do not bill Medicaid directly, but bill through the supervising physician. Although this bill allows physician assistants to enroll as Medicaid providers, it does not require them to do so; it only states they are not prohibited from enrolling. Therefore, neither MMAC nor MHD knows how many physician assistants would choose to enroll and how many would continue billing under their current arrangements. Since Medicaid is already paying for the services delivered by physician assistants, DSS does not anticipate a significant impact from these provisions.

§338.010 - Pharmacists to Administer Vaccinations

Officials from the **DSS-MHD** state these provisions will have no fiscal impact on MHD since MHD assumes that participants are currently receiving all of the vaccinations that they are seeking.

§§338.059, 338.165 and 338.220 - Pharmacies and hospital pharmacies

Officials from the **DSS-MHD** assume no fiscal impact as a result of the provisions of these sections of the proposal.

Section 1 - Medically underserved areas and clinic funding

Officials from the **DHSS** state, for fiscal note purposes, DHSS' estimate is based on the total number of counties designated as Health Professional Shortage Areas (HPSA) and assumes a range of zero to 100 percent participation in the program. Missouri has 106 counties which are designated as primary care HPSAs. Therefore, the range for matching funds from the Medical Clinics in Medically Underserved Area Fund (MCMUAF) could be \$0 to \$10,600,000 (106 counties X \$100,000), as the legislation directs DHSS to prioritize based on need.

DHSS estimates the following staff would be required to administer the program:

One (1) FTE Program Manager (\$50,000 annually) to direct the overall planning, development, and administration of assigned health programs, assist in the identification of program priorities and the development and implementation of new programs and services, and develop and coordinate a comprehensive public health system for a large geographic area related to the expansion of medical clinics. In addition, one (1) FTE Program Representative (\$38,040

ASSUMPTION (continued)

annually) to assume responsibility as delegated by the program manager, for the planning, promotion, implementation, and evaluation of the public health program; maintaining liaison with other administrative units of the department, local governments, community groups, and others interested in program activities; developing program goals, objectives, policies, and procedures; monitoring program activities; managing program resources; assisting in budget development; tracking and monitoring expenditures; preparing assigned program fiscal reports, contracts, and grants; and assessing program effectiveness through program evaluation and data analysis and modifying program delivery to improve implementation and/or outcome.

Oversight assumes that contributions/grants to start up medical clinics in medically underserved areas will equal the expenditures/grants to counties and municipalities that provide matching funds and the net impact to the MCMUAF will be \$0.

Oversight notes the provisions of the proposal regarding counties and municipalities establishing medical clinics is permissive. Oversight assumes that counties/municipalities would not establish medical clinics unless they could absorb the start-up funds necessary to obtain matching funds from the DHSS/Medical Clinics in Medically Underserved Area Fund. Therefore, Oversight assumes the proposal will have no fiscal impact on local governments.

Bill as a Whole

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

Oversight assumes a “minimal fiscal impact” means MSU can absorb the impact within current funding levels.

Officials from the **University of Central Missouri** estimate the fiscal impact of this proposal would be minimal on their organization.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if there is a significant increase in referrals or if the proposal results in significant litigation.

Officials from the **Office of the Governor (GOV)** do not anticipate the GOV will incur added costs as a result of this proposal. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

ASSUMPTION (continued)

Officials from the **OA - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP. Funding for the MoRx Program is included in the current year budget and the proposed budget for FY15.

Officials from the **Office of State Courts Administrator**, the **Department of Mental Health**, the **Missouri Consolidated Health Care Plan**, the **Joint Commission on Administrative Rules**, the **Missouri Department of Conservation**, the **OA - Accounting Division**, the **OA - Division of Purchasing and Materials Management**, the **Office of State Treasurer**, **Linn State Technical College**, **Northwest Missouri State University**, and **Missouri Western State University** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **OA - Information Technology Services Division** defer to the Department of Social Services and the Department of Health and Senior Services for response regarding the potential fiscal impact of this bill on their organization.

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 the Secretary of State (SOS)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in previous responses to the various similar provisions now contained in this bill, the 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 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.

Officials from the **Missouri Department of Transportation (MoDOT)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in previous responses to various similar provisions now contained in this bill, the MoDOT assumed the proposals would have no fiscal impact on their organization.

ASSUMPTION (continued)

Officials from the following **health departments**: Audrain County Health Unit, Boone County Dept of Public Health and Human Services, Cass County Health Department, Harrison County Health Department, Henry County Health Center, Jefferson County Health Department, Linn County Health Department, Madison County Health Department, McDonald County Health Department, Miller County Health Center, Morgan County Health Center, Nodaway County Health Center, Platte County Health Department, Randolph County Health Department, Reynolds County Health Center, Ripley County Health Center, Shelby County Health Department, St Francois County Health Center and the Tri-County Health Department 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 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - OA-GS (\$105.711)</u>			
Expansion of medical malpractice coverage	(Unknown)	(Unknown)	(Unknown)
<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	\$0	(Unknown, greater than \$50,127)	(Unknown, greater than \$51,381)
<u>Costs - DSS-MHD (§§208.631 to 208.646)</u>			
Increase in CHIP costs due to elimination of asset limits and changes in wait periods for failure to pay premiums	(Unknown, less than \$117,601)	(Unknown, less than \$145,214)	(Unknown, less than \$149,425)
<u>Costs - DSS-MHD (§208.662)</u>			
Show-Me Healthy Babies program expenditures	\$0 to (Greater than \$2,965,634)	\$0 to (\$3,626,399)	\$0 to (\$3,730,984)
<u>Costs - OA-ITSD/DSS (§208.662)</u>			
System programming changes	(Greater than \$9,456)	\$0	\$0
<u>Costs - OA (§208.662)</u>			
Alternatives-to-Abortion	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	(\$5,308,372)	(\$6,370,046)	(\$6,370,046)

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND (cont.)			
<u>Costs</u> - OA-ITSD/DHSS (§§334.035, 334.036 and 334.037)			
System modifications and updates	(\$30,325)	\$0	\$0
<u>Costs</u> - DHSS (Section 1)			
Personal service	(\$73,367)	(\$88,920)	(\$89,810)
Fringe benefits	(\$37,421)	(\$45,354)	(\$45,808)
Equipment and expense	(\$35,691)	(\$33,482)	(\$37,319)
Total <u>Costs</u> - DHSS	<u>(\$146,479)</u>	<u>(\$167,756)</u>	<u>(\$172,937)</u>
FTE Change - DHSS	2 FTE	2 FTE	2 FTE
<u>Transfer-Out</u> - To the University of Missouri			
Transfer of appropriations for the ECHO program	<u>\$0 or (\$1,500,000)</u>	<u>\$0 or (\$1,500,000)</u>	<u>\$0 or (\$1,500,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND			
	<u>(\$5,541,073 to Greater than \$10,124,308)</u>	<u>(\$6,608,270 to Greater than \$11,879,883)</u>	<u>(\$6,614,705 to Greater than \$11,995,114)</u>
Estimated Net FTE Change on the General Revenue Fund	2 FTE	2 FTE	2 FTE
MISSOURI HEALING ARTS BOARD FUND			
<u>Income</u> - DIFP (§§334.036 and 334.037)			
Licensure and renewal fees	\$0	\$3,630	\$120
<u>Costs</u> - DIFP (§§334.036 and 334.037)			
Licensing-related expenditures	(\$1,513)	(\$694)	(\$697)
ESTIMATED NET EFFECT ON THE MISSOURI HEALING ARTS BOARD FUND			
	<u>(\$1,513)</u>	<u>\$2,936</u>	<u>(\$577)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
HEALTHY FAMILIES TRUST FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
ESTIMATED NET EFFECT ON THE HEALTHY FAMILIES TRUST FUND	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
MISSOURI RX PLAN FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
ESTIMATED NET EFFECT ON THE MISSOURI RX PLAN FUND	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
MEDICAL CLINICS IN MEDICALLY UNDERSERVED AREAS FUND			
<u>Income - DHSS (Section 1)</u>			
Grants and other contributions	\$0 to \$10,600,000	\$0 to \$10,600,000	\$0 to \$10,600,000
<u>Costs - DHSS (Section 1)</u>			
Clinic start-up costs	<u>(\$0 to \$10,600,000)</u>	<u>(\$0 to \$10,600,000)</u>	<u>(\$0 to \$10,600,000)</u>
ESTIMATED NET EFFECT ON THE MEDICAL CLINICS IN MEDICALLY UNDERSERVED AREAS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
UNIVERSITY FUNDS			
<u>Transfer-In</u> - University of Missouri			
Appropriations for the ECHO Program	\$0 or \$1,500,000	\$0 or \$1,500,000	\$0 or \$1,500,000
<u>Costs</u> - University of Missouri			
ECHO Program expenditures	<u>\$0 or (\$1,500,000)</u>	<u>\$0 or (\$1,500,000)</u>	<u>\$0 or (\$1,500,000)</u>
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Income</u> - DSS-MHD (§174.335)			
Increase in vaccination and administration revenues	\$87,569	\$54,344	\$54,344
<u>Income</u> - DSS-MHD (§§208.631 to 208.646)			
Increase in program reimbursements	Unknown, less than \$337,688	Unknown, less than \$416,977	Unknown, less than \$429,068
<u>Income</u> - DSS-MHD (§208.662)			
Reimbursement for Show-Me Healthy Babies program expenditures	\$0 to Greater than \$8,431,505	\$0 to \$10,375,656	\$0 to \$10,675,970
<u>Income</u> - OA-ITSD/DSS (§208.662)			
System programming changes reimbursement	Greater than \$9,456	\$0	\$0
<u>Costs</u> - DSS-MHD (§174.335)			
Increase in vaccination and administration expenses	(\$87,569)	(\$54,344)	(\$54,344)

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS (cont.)			
<u>Costs - DSS-MHD (§§208.631 to 208.646)</u>			
Increase in program expenditures	(Unknown, less than \$337,688)	(Unknown, less than \$416,977)	(Unknown, less than \$429,068)
<u>Costs - DSS-MHD (§208.662)</u>			
Show-Me Healthy Babies program expenditures	\$0 to (Greater than \$8,431,505)	\$0 to (\$10,375,656)	\$0 to (\$10,675,970)
<u>Costs- OA-ITSD/DSS (§208.662)</u>			
System programming changes	<u>(Greater than \$9,456)</u>	<u>\$0</u>	<u>\$0</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

§174.335 - Small business health care providers may experience a positive fiscal impact if they provide meningococcal vaccines.

§191.1140 - This proposal may have an impact on small business health care providers who participate in the program.

§192.769 - This proposal may have a minimal administrative impact on small business mammography facilities.

FISCAL IMPACT - Small Business (cont.)

§195.070 - This proposal may have an positive administrative impact on small business health care providers that employ assistant physicians as these assistant physicians will be able to prescribe controlled substances.

§§334.035 - 334.037 - Assistant Physicians would be required to be licensed through the Board of Healing Arts, as well as follow rules and regulations associated with the new license.

§338.010 - This proposal may have a positive fiscal impact on small business pharmacies if they are able provide immunizations.

FISCAL DESCRIPTION

STATE LEGAL EXPENSE FUND (Section 105.711)

Currently, for the purposes of the State Legal Expense Fund a free health clinic is defined as a nonprofit community health center, exempt from federal taxation, which provides primary care and preventative services to people without health insurance without charge. This amendment changes the term "free health clinic" to "community health clinic" and modifies its definition by removing the without charge qualification.

The amendment also excludes federally funded community health centers and rural health clinics from the description of nonprofit community health centers for the purposes of the State Legal Expense Fund.

MENINGOCOCCAL VACCINE (Section 174.335)

Under this act, each student attending a public institution of higher education who lives in on-campus housing must receive the meningococcal vaccine unless he or she has a medical or religious exemption. The Department of Higher Education must oversee, supervise, and enforce this requirement and may promulgate rules. The Department of Higher Education may consult with the Department of Health and Senior Services.

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.

FISCAL DESCRIPTION (continued)

SHOW-ME ECHO PROGRAM (Section 191.1140)

Subject to appropriations, the University of Missouri shall manage the "Show-Me Extension for Community Health Care Outcomes (ECHO) Program". The Department of Health and Senior Services shall collaborate with the University of Missouri in utilizing the program to expand the capacity to safely and effectively treat chronic, common, and complex diseases in rural and underserved areas of the state and to monitor outcomes of such treatment.

COLLABORATIVE PRACTICE ARRANGEMENTS WITH ASSISTANT PHYSICIANS
(Sections 195.070, 334.035, 334.036, 334.037, Section 1)

This act allows certain medical school graduates to obtain a temporary assistant physician license in order to enter into "assistant physician collaborative practice arrangements" with a physician. An assistant physician collaborative practice arrangement shall limit the assistant physician to providing only primary care services and only in medically underserved rural or urban areas of this state or in any pilot project areas. An "assistant physician", is defined as any medical school graduate who has passed the prescribed medical examinations and who has not entered into postgraduate residency training prescribed by rule of the State Board of Registration for the Healing Arts. The act prescribes the other requirements to be licensed as an assistant physician and specifies certain practices an assistant physician cannot perform.

CHIP (Sections 208.631 to 208.646)

Currently, the State children's health insurance program (CHIP) defines uninsured children as an individual up to 19 years of age who meets specified criteria and whose parent or guardian has not had access to affordable coverage for their children for six months prior to application for SCHIP. This act removes the requirement that they be uninsured for six months. The act also changes the requirements of a parent of such child eligible for CHIP by removing the requirement that the parent or guardian demonstrate annually that their total net worth does not exceed \$250,000 in total value.

SHOW-ME HEALTHY BABIES (Section 208.662)

This act establishes the Show-Me Healthy Babies Program within the Department of Social Services as a separate children's health insurance program for any low-income unborn child. For an unborn child to be eligible for enrollment in the program, the mother of the child must not be eligible for coverage under the Medicaid Program as administered by the state and must not have access to affordable employer-subsidized health care insurance or other affordable health care coverage that includes coverage for the unborn child. The unborn child must be in a family with

FISCAL DESCRIPTION (continued)

income eligibility of no more than 300% of the federal poverty level or the equivalent modified adjusted gross income unless the income eligibility is set lower by the General Assembly through appropriations. The act delineates all of the parameters of the program.

MO RX PRESCRIPTION DRUG PROGRAM EXPIRATION DATE EXTENSION(SECTION 208.798)

This act extends the expiration date of the MO RX Prescription Drug Program from 2014 to 2017.

MEDICAL CLINICS (SECTION 1)

The proposed legislation establishes the Medical Clinics in Medically Underserved Areas Fund which could include moneys from state moneys appropriated, gifts, grants, and donations. The department of health and senior services is to establish and administer the program to increase the number of medical clinics in medically underserved areas. A county or municipality which includes a medically underserved area may establish a medical clinic by contributing start-up money for the clinic and having such contribution, up to \$100,000, matched wholly or partly by grant monies. The department is to seek all available moneys from any source. Start-up moneys from the county or municipality may be provided over a two-year period.

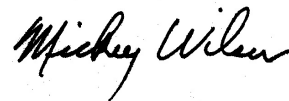
JOINT COMMITTEE ON EATING DISORDERS (Section 2)

This act establishes a Joint Committee on Eating Disorders to review issues pertaining to the regulation of insurance and other matters impacting the lives of those diagnosed with an eating disorder. The act delineates the list of members. By December 31, 2014, the committee shall provide a report to the members of the General Assembly and the Governor on such issues.

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

Office of Attorney General
Office of State Courts Administrator
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Office of the Governor
Missouri Consolidated Health Care Plan
Joint Commission on Administrative Rules
Missouri Department of Conservation
Office of Administration -
 Division of Budget and Planning
 Commissioner's Office
 General Services Division
 Division of Purchasing and Materials Management
Office of Secretary of State
Office of State Treasurer
Linn State Technical College
Missouri State University
Missouri Western State University
Northwest Missouri State University
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director
June 9, 2014

L.R. No. 5477-08

Bill No. Truly Agreed To and Finally Passed CCS for HCS for SS No. 2 for SB 754

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Ross Strope
Assistant Director
June 9, 2014

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