

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6095-01
Bill No.: SB 899
Subject: Children and Minors; Medicaid; Department of Social Services; Hospitals
Type: Original
Date: April 1, 2014

Bill Summary: This proposal requires MO HealthNet reimbursement to hospitals for donor milk provided to infants.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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 5 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

Officials at the **Department of Social Services** 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.

For the fee-for-service population, MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Since this bill would be effective August 28, 2014, any additional cost would begin to be reflected in 2014 cost reports. MO HealthNet would use 2014 cost reports to establish reimbursement for SFY18. Therefore, there would not be a fiscal impact to the MO HealthNet Division for FY15, FY16, and FY17 but starting FY18 there could be a additional costs, but the amount is unknown.

Officials from the **Office of 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 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 at the **Department of Health and Senior Services**, the **Office of Administration**, and the **Joint Committee on Administrative Rules** each assume there is no fiscal impact to their respective agencies from this proposal.

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
	<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

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

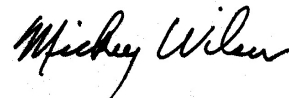
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Joint Committee on Administrative Rules
Office of Administration
Office of Secretary of State



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Director
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