

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6203-01
Bill No.: SB 910
Subject: Hospitals; Health Departments; Public Health
Type: Original
Date: April 2, 2014

Bill Summary: This proposal modifies provisions relating to health care facility infection reporting.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Could exceed \$283,124)	(Could exceed \$317,899)	(Could exceed \$321,883)
Total Estimated Net Effect on General Revenue Fund	(Could exceed \$283,124)	(Could exceed \$317,899)	(Could exceed \$321,883)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
University	(Could exceed \$83,333)	(Could exceed \$100,000)	(Could exceed \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$83,333)	(Could exceed \$100,000)	(Could exceed \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 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
General Revenue	4	4	4
Total Estimated Net Effect on FTE	4	4	4

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 from the **Department of Health and Senior Services (DHSS)** state DHSS would have to work with Office of Administration - Information Technology Services Division (ITSD) to enhance the current Missouri Hospital Infection Reporting System (MHIRS) website to collect these new surgery types. This would include major revisions to the Annual Registration site. In addition, modifications to the public and historical reports would be required. Division staff will need to develop statistical standards for the new surgery categories. Staff will also be needed to monitor the expanded list of surgery categories to ensure that data is being properly reported and that DHSS is getting valid, accurate data.

To perform Bureau of Health Care Analysis and Data Dissemination (BHCADD) activities in accordance with the above assumptions, BHCADD will need one Research Analyst III (\$39,984 annually).

DHSS would also be asked to work with hospitals, Ambulatory Surgical Centers (ASCs) and ITSD in developing the antibiotic stewardship program. Because details of the methodology and systems for data collection are not outlined, it is very hard to determine how much data might be collected. However, if DHSS is tasked with collecting the type and magnitude of antibiotics used against infection, this has the potential to be an extremely large and complicated data set.

To perform BHCADD/Bureau of Communicable Disease Control and Prevention (CDCP) activities in accordance with the above assumptions, DHSS would need, at minimum, two additional FTE's: one Research Analyst III (\$39,984 annually) and one Research Analyst IV (\$44,712 annually).

OA-ITSD estimates needing three additional staff persons to develop the enhancements to the MHIRS website and to build a database for the antibiotic stewardship program. In FY15, ITSD will need 0.25 Information Technology Specialist (ITS) II and 1.5 FTE ITS I. For ongoing support, ITSD estimates that it will need 0.625 FTE Information Technology Specialist I and 0.125 FTE Information Technology Specialist II.

The DHSS estimates FY15 costs to the General Revenue Fund as Unknown, greater than \$479,173; FY16 costs as Unknown, greater than \$334,709; and FY 17 costs as Unknown, greater than \$339,262.

Oversight assumes the OA-ITSD would not hire 0.25 FTE ITS II or 0.5 FTE ITS I and would have current staff absorb the additional duties. Oversight further assumes OA-ITSD would train the one FTE ITS I to perform the duties of the ITS II in subsequent fiscal years.

ASSUMPTION (continued)

Officials from the **University of Missouri Health Care (University)** have reviewed the proposed legislation, as written, and has determined there is a potential negative impact to the University in excess of \$100,000 annually. The University may be required to hire additional staff to comply with the guidelines proposed, including additional pharmacy staff and an analyst to perform the tasks outlined.

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Assuming these requirements would be effective January 1, 2015, any additional cost would begin to be reflected in 2015 cost reports. MO HealthNet would use 2015 cost reports to establish reimbursement for FY19. Therefore, there would not be a fiscal impact to the MHD for FY15, FY16, or FY17, but starting FY19 there could be 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 from the **Department of Mental Health and Joint Committee on Administrative Rules** each assume there is no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DHSS (\$192.667)</u>			
Personal service	(Could exceed \$144,427)	(Could exceed \$175,045)	(Could exceed \$176,797)
Fringe benefits	(Could exceed \$73,665)	(Could exceed \$89,282)	(Could exceed \$90,175)
Equipment and expense	(Could exceed \$65,032)	(Could exceed \$53,572)	(Could exceed \$54,911)
Total <u>Costs</u> - DHSS	(Could exceed \$283,124)	(Could exceed \$317,899)	(Could exceed \$321,883)
FTE Change - DHSS	4 FTE	4 FTE	4 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Could exceed \$283,124)</u>	<u>(Could exceed \$317,899)</u>	<u>(Could exceed \$321,883)</u>
Estimated Net FTE Effect on the General Revenue Fund	4 FTE	4 FTE	4 FTE
UNIVERSITY FUNDS			
<u>Costs - University of Missouri</u>			
Personal services, equipment and supplies and other expenses	(Could exceed \$83,333)	(Could exceed \$100,000)	(Could exceed \$100,000)
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	<u>(Could exceed \$83,333)</u>	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</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

This proposal may have an impact on small business ambulatory surgical centers.

FISCAL DESCRIPTION

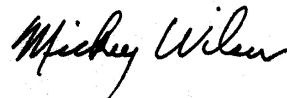
Under current law, the Department of Health and Senior Services is required to disseminate reports to the public based on data compiled showing for hospitals and ambulatory surgical centers infection incidence rate for certain infections. This proposal adds certain other infections to be reported including surgical site infections associated with Caesarean sections and vaginal births, hip and knee replacements, and all manner of hysterectomies; ventilator-associated events rather than ventilator-associated pneumonia, and all infections specified by the Centers for Medicare and Medicaid Services.

This proposal also provides that no later than January 15, 2015, the Department shall promulgate rules specifying the standards and procedures for each hospital and ambulatory surgical center to establish an Antibiotic Stewardship Program for evaluating the judicious use of antibiotics, especially antibiotics that are the last line of defense against resistant infections. The Stewardship Program procedures shall be reported quarterly to the Department, which shall make those results available to the public on its website. The timeline for reporting the results on the website are specified under the proposal.

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 Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Joint Committee on Administrative Rules
Office of Secretary of State
University of Missouri Health Systems



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