

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0286-04
Bill No.: HCS for SS for SB 58
Subject: Boards, Commissions, Committees, Councils; General Assembly; Licenses - Motor Vehicles; Department of Mental Health; Medicaid; Health Care
Type: Original
Date: May 13, 2015

Bill Summary: This proposal modifies provisions relating to state boards and commissions and requires reimbursement under the MO HealthNet program for marital and family therapy.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$455,389)	(\$619,760)	(\$743,712)
Total Estimated Net Effect on General Revenue	(\$455,389)	(\$619,760)	(\$743,712)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses exceed \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** prepared the fiscal note for the original bill without agency responses, and reflected an Unknown cost to the General Revenue Fund and Unknown income and costs to Federal Funds for this program. Oversight has since received responses from the impacted agencies and has incorporated their estimates into this fiscal note.

§ 208.152 - MO HealthNet Marital and Family Therapy Benefits:

Officials from the **Department of Social Services - MOHealthNet Division (MHD)** assume this provision revises Chapter 208.152.2 and requires MHD to reimburse for marital and family therapy as defined in Chapter 337.700 and provided by Marital and Family Therapists as defined in Chapter 337.700.

MO HealthNet Managed Care currently provides behavioral health services including psychology and counseling services, but neither the MO HealthNet program in general or the Managed Care program reimburse Marital and Family Therapists. It is anticipated that if this provision passes, utilization will increase for the types of services (marriage/couples counseling) provided by a Marital and Family Therapist.

Missouri currently has 249 Licensed Marital and Family Therapists (LMFT). Based on the percentage of other behavioral health providers that have enrolled (for example, 34% of Missouri Licensed Psychologists are enrolled in MHD), we assume that 50% of LMFTs will enroll with MO HealthNet as providers. That would give us 125 enrolled LMFTs. LMFTs are master's level providers, and MO HealthNet assumes that their reimbursement rates would be similar to other master's level providers, such as Licensed Clinical Social Worker's (LCSW), whom are already reimbursed by MO HealthNet.

In fiscal year 2015 a total of 519 LCSWs were reimbursed \$4,804,321.71 for services provided to MO HealthNet participants. The average annual amount billed per provider was \$9,256.88.

Based on this, MO HealthNet assumes the annual cost for LMFTs in fee for service Medicaid would be \$1,157,110 (125 LMFTs multiplied by the average annual amount that an LCSW was reimbursed in FY13 (\$9,256.88)).

MO HealthNet anticipates that there will be an increased cost in Managed Care rates, however an actuarial study will need to be performed to evaluate this. The cost for the actuarial study will be \$50,000.

ASSUMPTION (continued)

However, MO HealthNet estimated the increased Managed Care cost based on the fee for service cost of \$1,157,110, and a fee for service adult population of 298,438, to arrive at a PMPY of \$3.88. This PMPY was applied to an adult Managed Care population of 66,151, less an overall Managed Care savings of 2.2%, for a Managed Care cost of \$251,019 in FY16. In FY16, MO HealthNet assumes a 10 month cost. In FY17 and FY18, MO HealthNet assumes a 20% increase in LMFT growth.

FY16 (10 mos): \$1,223,441 total; \$455,389 GR; \$768,052 FF.

FY17: \$1,689,755 total; \$619,760 GR; \$1,069,995 FF.

FY18: \$2,027,706 total; \$743,712 GR; \$1,283,994 FF.

§§ 33.150, 33.710, 43.518, 160.530, 191.828, 217.550, 217.567, 320.092, 324.023, 348.439, 361.120, and 630.010 - Existing, Expired, or Obsolete Committees:

In response to the previous version of this proposal, officials from the **Office of the 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 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to the previous version of this proposal, officials from the **Department of Elementary and Secondary Education, Department of Revenue, Department of Social Services, Office of Administration, Office of the Attorney General, Office of the State Auditor, Missouri Consolidated Health Care Plan, Legislative Research, and the State Treasurer's Office Department of Mental Health, Department of Higher Education, Department of Natural Resources, Department of Insurance, Financial Institutions and Professional Registration, Department of Public Safety, Department of Corrections, Department of Transportation, Department of Health and Senior Services, Missouri House of Representatives, Missouri Ethics Commission, Office of Governor, and the University of Missouri** each assumed the proposal would not fiscally impact their respective agencies

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Costs - DSS</u>			
§ 208.152 - Actuarial study	(\$25,000)	\$0	\$0
<u>Costs - DSS</u>			
§208.152 - State share of Marital and family therapy service costs	(\$430,389)	(\$619,760)	(\$743,712)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$455,389)</u>	<u>(\$619,760)</u>	<u>(\$743,712)</u>
FEDERAL FUNDS			
<u>Income - DSS</u>			
§ 208.152 - Actuarial study cost reimbursement	\$25,000	\$0	\$0
<u>Income - DSS</u>			
§208.152 - Increase in program reimbursements	\$743,052	\$1,069,995	\$1,283,994
<u>Costs - DSS</u>			
§ 208.152 - Actuarial study	(\$25,000)	\$0	\$0
<u>Costs - DSS</u>			
§208.152 - Increase in program expenditures	(\$743,052)	(\$1,069,995)	(\$1,283,994)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§ 208.152 - MO HealthNet Marital and Family Therapy Benefits:

This provision could have a significant positive effect on small business marital and family therapists if they become MO HealthNet providers.

FISCAL DESCRIPTION

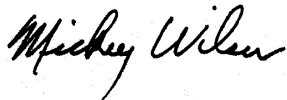
§ 208.152 - MO HealthNet Marital and Family Therapy Benefits:

This provision requires the MO HealthNet program to provide reimbursement for marital and family therapy.

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 Secretary of State
Office of Administration
Office of Governor
Office of the State Auditor
State Treasurer's Office
Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Department of Social Services -
 MOHealthNet Division
Department of Higher Education
Department of Elementary and Secondary Education
Department of Revenue
Department of Natural Resources
Department of Insurance, Financial Institutions and Professional Registration
Department of Public Safety
Department of Transportation
Missouri House of Representatives
Missouri Ethics Commission
Missouri Consolidated Health Care Plan
Legislative Research
University of Missouri



Mickey Wilson, CPA
Director
May 13, 2015

Ross Strobe
Assistant Director
May 13, 2015