

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0329-01
Bill No.: SB 122
Subject: Health, Public; Health Department
Type: Original
Date: January 21, 2015

Bill Summary: This proposal establishes a Health Care Directives Registry.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$471,418)	(\$411,262)	(\$205,670)
Total Estimated Net Effect on General Revenue	(\$471,418)	(\$411,262)	(\$205,670)

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	2	2	2
Total Estimated Net Effect on FTE	2	2	2

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

Officials from the **Department of Health and Senior Services (DHSS)** provide the following assumptions for Section 194.600:

It is unknown how many people each year would actually submit information for the Advance Health Care Directive Registry. For fiscal note purposes DHSS estimated 10,000 citizens each year. This is based on another registry managed by DHSS that deals with end of life issues. DHSS will need the following staff to manage the advanced health directives registry:

One Health Program Representative III (\$38,544 annually) position shall manage the registry, assure the development and maintenance of the content of the online registry, coordinate education of the citizens, physicians, other licensed health care providers, and legal representatives about the registry, authorize health care providers to access the registry, draft rules to carry out the provisions of Section 194.600, and serve as a liaison to public and private entities that will assist in education.

One Senior Office Support Assistant (keyboard) (\$25,572 annually) position to enter information from the advance health care directive documents into the registry, generate standard reports using the registry, prepare correspondence, maintain registry files, answer telephone and e-mail inquiries from the general public about the registry, and make meeting arrangements and produce minutes.

The DHSS will need to educate the general public, licensed health care providers, and legal professionals about the "Advance Health Care Directive Registry" including how to place information in the registry. DHSS will use e-mail, existing Internet sites maintained by State of Missouri agencies, and approved social media to provide education. DHSS will also develop and distribute printed educational brochures to the public. Existing DHSS staff will develop the materials at a cost of \$10,000 (100,000 brochures x \$0.10 each). DHSS estimates \$4,900 for postage to mail first-class letters to citizens to confirm entry into or removal from the online registry (10,000 x \$0.49 each).

The DHSS will need to scan the paper documents submitted by citizens related to declaring for the registry or revoking inclusion in the registry. These documents will be stored electronically. The purchase of one scanner will cost approximately \$1,100.

The DHSS staff will need two additional file cabinets to temporarily maintain the large volume of health care directive documents and correspondence with citizens until the documents can be stored in an electronic format or as an archive.

ASSUMPTION (continued)

DHSS assumes a filing fee of \$10 per filing; therefore, annual revenue is estimated to be \$100,000 (10,000 filings x \$10 per filing = \$100,000 annual revenue). However, Section 194.600.4 does not direct the filing fee into a specific account; therefore, it will be deposited into the General Revenue Fund. DHSS cannot assume that the revenue from the fee will be issued to DHSS to offset agency expenses. DHSS expenses, excluding revenue and ITSD contract costs, are estimated to be \$133,583 for FY 2016; \$146,244 for FY 2017; and \$148,433 for FY 2018.

The **Office of Administration (OA), Information Technology Services Division (ITSD)** provided the DHSS with the following cost estimates: OA-ITSD assumed every new IT project/system will be bid out because all ITSD resources are at full capacity. It is assumed this proposal will require approximately 10,482 hours of contracted IT consultants during FY 2016 (+5,600 hours) and FY 2017 (+4,850 hours) with on-going support costs beginning in FY 2018. FY 2016 IT contract costs are estimated to be \$421,168; FY 2017 IT contract costs are estimated to be \$365,018 and FY 2018 on-going support costs are estimated to be \$157,237. All costs will be to the General Revenue Fund.

Oversight notes the OA-ITSD estimate of IT cost to implement this proposal was based on the current state contract rate for IT consulting services (\$75 per hour). Oversight assumes implementing new legislation on a yearly basis is part of the core responsibilities included in the budget for OA-ITSD. Oversight has calculated the estimated number of hours available for programming work and the average cost of salary plus benefits for OA-ITSD programmers. Oversight notes the estimated hours to implement this proposal would represent over 6 FTE programmers for two (2) years and considers it impractical to hire the number of staff required to implement this proposal.

Officials from the **Office of the 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 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.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules** and the **Office of State Courts Administrator** each assume 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 (\$194,600)			
<u>Income - DHSS</u>			
Filing fee income	\$83,333	\$100,000	\$100,000
<u>Costs - DHSS</u>			
Personal service	(\$53,430)	(\$64,757)	(\$65,405)
Fringe benefits	(\$27,252)	(\$33,029)	(\$33,360)
Equipment and expense	(\$52,901)	(\$48,458)	(\$49,668)
Total <u>Costs - DHSS</u>	<u>(\$133,583)</u>	<u>(\$146,244)</u>	<u>(\$148,433)</u>
FTE Change - DHSS	2 FTE	2 FTE	2 FTE
<u>Costs - OA-ITSD</u>			
IT consultants and on-going support costs	(\$421,168)	(\$365,018)	(\$157,237)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$471,418)</u>	<u>(\$411,262)</u>	<u>(\$205,670)</u>
Estimated Net FTE Change on the General Revenue Fund	2 FTE	2 FTE	2 FTE
 <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

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

FISCAL DESCRIPTION

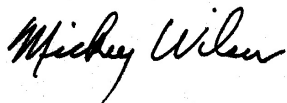
This proposal requires the Department of Health and Senior Services to establish a health care directives registry for the purpose of providing a place to securely store an advance health care directive online and to give authorized health care providers immediate access to them. An "advance health care directive" is defined as either a power of attorney for health care or a declaration signed by an adult declarant containing the person's direction concerning a health care decision. A "declaration" shall mean a record such as living will, an intent to donate an anatomical gift under the Uniform Anatomical Gift Act, or a do-not-resuscitate order. All data and information contained in the registry shall remain confidential and shall be exempt from the Sunshine law.

The Department shall promulgate rules to carry out the provisions of this proposal which shall include, but not be limited to a determination of who may access the registry, including physicians, other licensed health care providers, the declarant, and his or her legal representative or designee.

This legislation is not federally mandated, would not duplicate any other program but could require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Joint Committee on Administrative Rules
Office of Administration -
 Information Technology Services Division
Office of State Courts Administrator
Office of Secretary of State



Mickey Wilson, CPA
Director
January 21, 2015

Ross Strobe
Assistant Director
January 21, 2015