COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0419-04
Bill No.: HCS for SCS for SB 38
Subject: Health Care; Health Care Professionals; Health, Public; Health Department
Type: Original
Date: May 11, 2015

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2019)
General Revenue	(Greater than $1,935,639)	(Greater than $1,487,560)	(Greater than $1,681,129)	(Greater than $3,081,381)
Total Estimated Net Effect on General Revenue	**(Greater than $1,935,639)**	**(Greater than $1,487,560)**	**(Greater than $1,681,129)**	**(Greater than $3,081,381)**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2019)
Joint Contingency*	$0	$0	$0	$0
Agriculture Protection	($37,121)	($70,316)	($71,205)	($72,106)
Various Other State Funds	Less than $284,720	Less than $904,732	Less than $829,874	(Greater than $62,684)
Total Estimated Net Effect on Other State Funds	**Less than $247,599**	**Less than $834,416**	**Less than $758,669**	**(Greater than $134,790)**

* Transfers-in and expenses net to $0.

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 31 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2019)
Federal	(Greater than $12,500)	(Greater than $25,000)	(Greater than $25,000)	(Greater than $25,000)
Total Estimated Net Effect on All Federal Funds	**(Greater than $12,500)**	**(Greater than $25,000)**	**(Greater than $25,000)**	**(Greater than $25,000)**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2019)
General Revenue	8.2	8.2	8.2	8.2
Joint Contingency	2	2	2	2
Agriculture Protection	1	1	1	1
Various Other State Funds	0.6	0.6	0.6	0.6
Federal	1.2	1.2	1.2	1.2
Total Estimated Net Effect on FTE	**13**	**13**	**13**	**13**

☒ 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	Fully Implemented (FY 2019)
Local Government	**$0**	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

§§191.236 - 191.238 - Health Information Organizations

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state the DSS is still analyzing the proposed changes in sections 191.236, 191.237, and 191.238. At this time, the fiscal impact to the DSS is unknown. This legislation would require the DSS to make state agency sponsored data sets available to any "approved health information organization". In order to exchange data with an approved health information organization, the state would have to update its system. The cost to update the state system is estimated to range from $165,000 to $750,000 depending on the system changes needed. It is unknown how many health information organizations would request the ability to exchange data, who would incur the cost, and if there would be any annual fees. Additionally, it is unknown how the Missouri Health Information Exchange Commission would be funded and how much administrative support the Commission would need. Therefore, due to these reasons and the need to further review the legislation, the DSS is submitting an unknown fiscal impact.

Oversight notes the DSS assumes unknown costs exceeding a minimum of $165,000 each year plus other unknown costs. Since it is unknown how these costs will be split between General Revenue (GR) and Federal Funds, for fiscal note purposes, Oversight is assuming unknown costs exceeding $200,000 annually, split 50/50 between GR and Federal Funds.

§192.380 - Perinatal Advisory Council

Officials from the **Department of Health and Senior Services (DHSS)** state section 192.380.2 creates a Perinatal Advisory Committee (PAC) and directs the DHSS to provide necessary support to the council. In addition, DHSS would be responsible for organizing and hosting stakeholder meetings to gather public input to be shared with the PAC. DHSS will need a full time Health Program Representative III ($38,928 annually) to support and staff the 17 member Perinatal Advisory Council appointed by the Governor. Duties of this position include but are not limited to the following:

- Coordinate with Governor's Office to ensure appointments are made according to membership requirements in Section 192.380.2;
- Assisting potential members with the application process;
- Arrange the council meetings, identify locations for the meetings, and prepare agendas and minutes of the meeting as requested by the Council Chair;
- Coordinate the stakeholder input meetings to be held around the state;
- Provide support for the members of the council, performing relevant data inquiries and compilation of information as requested by the Chair or other members;

ASSUMPTION (continued)

- Coordinate collaboration with other appropriate agencies and entities needed to administer provisions of the proposed legislation; and
- Creation and dissemination of reports that compiles information reported on all high-risk birth outcomes (Section 192.380.4(4)) and other information that will be used by the PAC to evaluate and monitor the performance of the perinatal system in Missouri (Section 192.380.4(9)).

Additional funds are requested for the reimbursement of travel expenses for PAC members to attend PAC meetings and to attend the stakeholder public input meetings to be held around the state. DHSS assumes the regular meetings will be held monthly for the first year and quarterly thereafter. It is also assumed that there will be four stakeholder meetings around the state (two urban and two rural) and that a maximum of 6 PAC members will attend those meetings. The cost per PAC member to attend these meetings is calculated at $180 per day for lodging, meals, and mileage. The total travel cost for stakeholder meetings in the first year calculates to $4,320 (6 members x 4 meetings x $180). The total cost for PAC regular meetings in the first year is calculated at $36,720 (17 members x 12 meetings x $180). The total cost for PAC meetings in subsequent years is calculated at $12,240 (17 members x 4 meetings x $180) each year.

Section 192.380.9 indicates that the DHSS is to promulgate rules and regulations by January 1, 2017, to establish the standards developed by the Council. DHSS will need a full time Registered Nurse Manager ($65,359 annually) and one Administrative Office Support Assistant (AOSA) ($28,104 annually) to support and staff the 17 member Perinatal Advisory Council appointed by the Governor. These two staff will be hired on September 1, 2015.

Section 192.380.10 requires DHSS, beginning January 1, 2016, to ensure that hospital application for license shall include the appropriate level of maternal care designation and neonatal care designation as determined by the standards outlined in subsection 5 of proposed legislation.

DHSS will hire four Health Facilities Nursing Consultants (HFNC, $53,124 annually, each) to assist in stakeholder engagement and to enforce the rules and regulations as they are promulgated. The HFNC will also survey the facilities for compliance with the standards. This staff will be hired on September 1, 2015.

This program will be similar in operation to the existing Time Critical Diagnosis (TCD) program. The TCD program is voluntary and has two HFNCs and an AOSA dedicated to the program. The program proposed by this bill will impact any hospital with one or more obstetric beds, far more hospitals than the voluntary TCD program. As a result, DRL anticipates staffing requirements of four (4) HFNCs, one AOSA, and one program manager.

ASSUMPTION (continued)

Section 192.380.3 states that "broad public and stakeholder input" will be utilized to assist the PAC in making recommendations for the division of the state into neonatal and maternal care regions. It is assumed that obtaining this input from the public will be the duty of the DHSS. Organizing a minimum of four town hall meetings across the state in urban and rural areas would be necessary to accomplish this task.

Total costs to the General Revenue Fund for this proposal are estimated to be $543,925 for FY 2016; $620,306 for FY 2017; and $627,871 for FY 2018.

Oversight extrapolated DHSS costs to FY 2019 using a 1% inflationary rate for salary related expenses and a 2.5% inflationary rate for all other costs (the same rates currently used in fiscal note calculations). Fully Implemented Costs present all agency costs to the first year of full implementation of all provisions of the proposal.

Officials from the **DSS-MHD** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. If the standards were implemented by hospitals by January 1, 2016, there could be additional costs beginning with the 2016 cost reports. MO HealthNet would use 2016 cost reports to establish reimbursement for FY 2020. Therefore, there would not be a fiscal impact to MHD for FY 2016, FY 2017, FY 2018 or FY 2019, but starting FY 2020 there would be an additional cost. However, MHD assumes any increase in costs would be offset by savings through improved birth outcomes and, therefore, the net impact for this section to MHD would be $0.

Officials from the **Office of the Governor (GOV)** state section 192.380 establishes the Perinatal Advisory Council which consists of seventeen gubernatorial appointees. There should be no added cost to the GOV as a result of this measure. However, if additional duties are placed on the office related to appointments in other Truly Agreed To and Finally Passed (TAFP) legislation there may be the need for additional staff resources in future years.

§197.130 - Patient Notification

Officials from the **DSS-MHD** state this section requires hospitals to provide written notice to patients admitted under observational status during the intake process, at any time the patient's status changes, and upon discharge. Further, upon discharge, hospital admission staff are required to provide written notice regarding the patient's inpatient status, observational status, or both. This notice is required to include a statement whether the patient is being admitted to the hospital under inpatient or observational status, that their observational status may impact their insurance coverage, to specifically include MO HealthNet coverage, and a recommendation that the patient contact his/her insurance carrier for additional information on the impact of their observational admittance status.

ASSUMPTION (continued)

In contrast, previous bills had language about providing costs and ramifications of the patient's status and also required that hospitals train staff on billing implications of the outpatient status and the impact of the status on the patient's eligibility.

Because these requirements have been lifted from hospitals, MHD assumes that there will be minimum costs to hospitals, and does not anticipate a fiscal impact.

§208.065 - Eligibility Verification

Officials from the **Department of Social Services (DSS)** provide the following assumptions for this proposal:

This section requires the DSS to procure a contract no later than January 1, 2016, to verify eligibility for assistance under the supplemental nutrition assistance program (SNAP); the temporary assistance for needy families (TANF) program; Women, Infants and Children (WIC) supplemental nutrition program; child care assistance program; and the MO HealthNet program using name, date of birth, address, and Social Security number of each applicant and recipient against public records and other data sources to verify eligibility data.

DSS assumes the department would contract for this service. The contractor will conduct data match services to determine which participants may not be eligible for SNAP, TANF, child care assistance and MO HealthNet benefits. If there is no information/data that contradicts the original determination of benefits, then DSS assumes the participants are still eligible. However, DSS assumes all final eligibility determinations will be made by FSD.

Estimates for a contractor to provide services to implement eligibility determinations are based on past calculations prepared for the FY 2015 budget cycle as part of the Governor's recommendation. In addition, DSS assumes for the cases that are identified, case management services would be contracted to provide follow up analysis of each case. Contract and case management costs are estimated to be $2,774,200 ($1,120,167 GR; $1,654,033 Federal) in FY 2016, $3,977,001 ($1,710,357 GR; $2,266,644 Federal) in FY 2017 and $4,144,035 ($1,782,192 GR; $2,361,843 Federal) in FY 2018.

DSS based its savings on the Illinois Medicaid Redetermination Project report. According to the Illinois information, many Illinois cases had not been reinvestigated for some time. Missouri has been timelier on reinvestigations; therefore, DSS assumes a lesser percentage of cases reviewed would be cancelled. DSS assumed 75% of the Illinois caseload for the first 5 months of the first calendar year; 50% of the Illinois caseload for the last 7 months of the first calendar year and the first 6 months of the second calendar year; and then 25% of the Illinois caseload for the remainder of year two. There are no additional savings projected for year three.

ASSUMPTION (continued)

Medicaid savings: DSS assumes $236 per member per month (PMPM) savings. This is half of TANF participant PMPM costs. Illinois found that many participants losing coverage did not have PMPM costs representative of the caseload because they had not accessed services. Illinois' actual PMPM savings from first group was $55 PMPM. DSS assumes Missouri savings would be more since Missouri has been completing reinvestigations timelier. Potential savings to the state from recoveries is $2,280,112 ($501,766 GR; $334,511 Other Funds; $1,443,835 Federal) in FY 2016; $8,867,102 ($1,951,312 GR; $1,300,875 Other Funds; $5,614,915 Federal) in FY 2017; for a cumulative total savings of $14,947,400 ($3,289,355 GR; $2,192,903 Other Funds; $9,465,142 Federal) in FY 2018.

SNAP savings: DSS assumes $261 per member per month (PMPM) savings. Using the same methodology, potential savings are $1,143,180 in Federal Funds for FY 2016; $4,444,830 in Federal Funds for FY 2017; for a total cumulative SNAP Federal Fund savings of $7,493,832 in FY 2018.

Food Stamp benefits are paid by the federal government and are not included in FSD's appropriations.

CFR 272.4(a)(2) Program administration and personnel requirements:
Due to federal rules for the Food Stamp program, FSD would be required to request a waiver to implement this process for Food Stamp applicants. If the waiver is not approved by the federal Food and Nutrition Services, FSD reasonably anticipates there could be sanctions imposed by the United State government if this process were implemented without an approved waiver. These sanctions could include a disallowance of some or all of the federal Food Stamp program funding.

TANF savings: DSS assumes $227 per member per month (PMPM) savings. Using the same methodology, potential savings are $72,867 in Federal Funds in FY 2016; $282,615 in Federal Funds in FY 2017; for a total cumulative TANF Federal Funds savings of $477,381 in FY 2018.

This would result in a reduction of TANF spending on cash assistance, but not a savings in TANF funding because all TANF must be spent on one of the four purposes of the TANF program:
1) To provide assistance to needy families;
2) To end dependence of needy parents by promoting job preparation, work and marriage;
3) To prevent and reduce out-of-wedlock pregnancies; and
4) To encourage the formation and maintenance of two-parent families.

FSD anticipates a shift in spending from cash grants to eligible families to other purposes of the TANF program.

ASSUMPTION (continued)

Child care savings: DSS assumes $309 per member per month (PMPM) savings. Using the same methodology, potential savings are $112,167 in Federal Funds for FY 2016; $437,235 in Federal Funds for FY 2017; for a total cumulative Child Care Development Federal Fund savings of $735,729 in FY 2018.

This would result in a reduction of child care spending on assistance, but not a savings in Child Care Development Fund (CCDF) funding because all CCDF must be spent on child care assistance or child care quality programs.

Estimated cumulative savings for these four programs are $3,608,326 ($501,766 GR, $334,511 Other Funds, $2,772,049 Federal) in FY 2016; $14,031,782 ($1,951,312 GR, $1,300,875 Other Funds, $10,779,595 Federal) in FY 2017; for a total cumulative savings for four programs of $23,654,342 ($3,289,355 GR, $2,192,903 Other Funds, $18,172,084 Federal) in FY 2018. DSS assumes no additional savings after the third year (FY 2018)

TOTAL IMPACT

	TOTAL	GR	Federal	Other Funds
FY 2016	$834,126	($618,401)	$1,118,016	$334,511
FY 2017	$10,054,780	$240,955	$8,512,950	$1,300,875
FY 2018	$19,510,306	$1,507,163	$15,810,240	$2,192,903
FY 2019	$19,336,257	$1,432,311	$15,711,043	$2,192,903
FY 2020	$19,154,897	$1,354,315	$15,607,679	$2,192,903
FY 2021	$18,965,921	$1,273,044	$15,499,974	$2,192,903

Oversight will present the individual savings for Medicaid/MO HealthNet and SNAP by year rather than as cumulative totals. Since funds for TANF must be spent on one of the four purposes of the TANF program and Child Care funds must be spent on child care assistance or child care quality programs, these do not actually present a savings to the state and will not be presented in the fiscal note.

Division of Legal Services (DLS) officials state it is assumed that the contractor's review of all applicant and client eligibility information would result in additional adverse case actions due to the contractor's discovery of previously unreported adverse eligibility information. The additional case closings would in turn result in additional hearings contesting the adverse action taken by FSD. It is not possible to accurately estimate the increase in hearings as it is not possible to accurately measure the potential for fraud by FSD clients, but it can be assumed there would be at least a one percent increase in administrative hearings. In calendar year 2014, the DLS Hearings Unit issued 12,516 decisions of all types. Assuming there was a 1% increase in hearings, DLS anticipates that 125 additional administrative hearings will be requested to contest

ASSUMPTION (continued)

whether individuals or couples should have their benefits terminated or decreased. DLS believes that it will take approximately two hours to conduct each hearing required by this bill. This will include hearing preparation, the actual hearing and the writing and reviewing of the hearing decision. DLS assumes that hearing officers can hold approximately 900 hearings per year. DLS will be able to absorb the additional hearings with existing staff.

DSS provided the **Office of Administration (OA), Information Technology Services Division (ITSD)** response. ITSD states it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.

The Family Assistance Management Information System (FAMIS) is expected to provide a file with the name, date of birth, address, and Social Security number of each applicant and recipient, and additional data provided by the applicant or recipient relevant to eligibility against public records and other data sources to verify eligibility data. There is no mention of the frequency of this exchange except the fact that deaths, moving out of state, and incarceration should be verified monthly.

This could end being a major change in FAMIS based on the actual requirement. The requirement talks about "name, date of birth, address, Social Security number of each applicant and recipient". There are certain screens where FAMIS does not require the Eligibility Specialist (ES) to enter details of the applicant if they are not requesting benefits and this might have to change. Also, at this time, ITSD does not know if this will in any way impact the existing annual reinvestigation/recertification process in FAMIS. At this time, ITSD also does not know of any special requirements as far as forms and notices are concerned.

It should also be kept in mind that some of the MO HealthNet programs are already in the Missouri Eligibility Determination and Enrollment System (MEDES).

ITSD estimates the following contracted IT consultant hours and costs related to this proposal:

Section	Hours	Rate/Hour	GR Costs	Federal Funds Costs
208.065.1	457.92	$75	$34,344	
208.065.2	172.80	$75	$12,960	
208.065.3	276.48	$75	$20,736	
208.065.3	276.48	$75	$20,736	
208.065.4	172.80	$75	$12,960	
Total	1,356.48		$101,736	

ASSUMPTION (continued)

§208.078 - Termination of Benefits for Out-of-state Residency

Officials from the **Department of Mental Health (DMH)** state on rare occasions, the Division of Developmental Disabilities (DD) places consumers with an out-of-state home- and community- based provider when the provider's skills or ability is best matched to serve a consumer's unique set of needs and no in-state placement option is available. The proposed legislation would cause any consumer in such a placement who receives Missouri Medicaid benefits to lose them, potentially increasing the cost to the Division of DD. Placements such as these are very infrequent and the DMH would absorb any costs associated with such placements.

Officials from the **DSS** state this section requires the DSS to terminate MO HealthNet services when it receives information that a MO HealthNet recipient, excluding a child in the state's custody, resides out of state. The FSD currently terminates benefits when it receives notification for out of state residency. DSS assumes no fiscal impact from this section.

§§208.670 - 208.677 and 208.686 - Asynchronous Store-and-Forward, Telehealth, and Home Telemonitoring

Officials from the **DSS-MHD** state section 208.670.4 adds the use of asynchronous store-and-forward technology to the practice of telehealth.

In 2014 there were 16,478 telehealth visits. MHD estimates that 20% of the telehealth visits will be the amount of new asynchronous store-and-forward visits resulting in 3,296 (16,478 * 20%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $21.90 per transmission for a total cost of $72,183 (3,296 visits X $21.90). MHD estimates that 2,472 (3,296 X 75%) store-and-forward visits will require additional care. MHD estimates that it will costs $63 for each additional care visit for a total cost of $155,736 (2,472 X $63).

The total cost for asynchronous store-and-forward in Fiscal Year (FY) 2016 is $227,919 ($72,183 + $155,736). Since there will be only 10 months in FY 2016, the cost will be $189,933 ($227,919 X 10/12). A 1.9% inflation factor was used to calculated FY 2017 and beyond.

With patients utilizing store-and-forward, there would be a non-emergency medical transportation (NEMT) savings of $25 per visit for a total savings of $82,400 ($25 X 3,296 visits). MHD doesn't expect to see these savings until FY 2018 due to rate development methodologies in NEMT capitation payments (there is a two year lag to incorporate the lower NEMT utilization into the rates). The $82,400 was trended using a 1.9% inflation factor to get to the savings for FY 18. MHD assumes it will see 75% of the FY 2018 savings due to FY 2016 costs only being for 10 months.

A State Plan Amendment (SPA) would be required for the asynchronous store-and-forward services.

ASSUMPTION (continued)

For Section 208.671 there would be a Medicaid Management Information System (MMIS) cost to update the system. MHD estimates that it will cost $200,000 in system work and $75,000 in staff time to do the work for a total of $275,000.

MHD estimates it will need 1.25 additional FTEs at the Management Analysis Specialist II position for system work, integration, evaluation, and to establish guidelines.

Oversight assumes the MHD would not hire 0.25 FTE Management Analysis Specialist II and would assign the duties to existing staff.

Section 208.673 establishes the "Telehealth Services Advisory Committee." MHD estimates it will need 1 additional FTE at the Program Development Specialist level to coordinate the new advisory committee, coordinate between state departments, oversee the program, plan agendas, attend meetings, take minutes, oversee filling vacancies, etc.

Section 208.675 and 208.677 lists eligible health care providers and originating sites for telehealth services. 13 CSR 70-3.190 describes MO HealthNet's (MHD) telehealth services and does not include School, MHD participant's home, and clinical designated area pharmacy as an originating site. After further research, MHD assumes School based telehealth services would likely increase the utilization of Behavioral Health counseling services. Behavioral health counseling is currently considered the only allowable service through telehealth that can be billed by schools. MHD reimburses schools for the federal share of costs incurred. The current FY2014 spend for Behavioral Health counseling is $477,000 for 12,639 annual visits. Assuming a 5% increase in number of visits to the school based originating site, this would add $5,846 in originating fees in FY 2016 (632 visits x $9.25 federal portion of originating site fees per visit as schools pay the state share). There is also a savings to NEMT costs for providing this service in schools. Due to NEMT capitation rate methodologies, there is a two year lag to incorporate the lower NEMT utilization in to the rates. Initially, MHD would see increased costs in FY 2016 and FY 2017 and NEMT savings would begin to occur in FY 2018 and be fully implemented into the rates by FY 2019.

MHD assumes that the requirements for adding a clinical designated area in a pharmacy for telehealth services would be cost prohibitive to the pharmacy and will not have a fiscal impact on MHD.

13 CSR 70-3.190 Telehealth Services requires the telehealth service to be performed on a "private, dedicated telecommunications line approved through the Missouri Telehealth Network (MTN). The telecommunications line must be secure and utilize a method of encryption adequate to protect the confidentiality and integrity of the Telehealth service information. The

ASSUMPTION (continued)

Missouri Telehealth Network must also approve the equipment that will be used in Telehealth service." It further states that both a distant and originating site shall use authentication and identification to ensure confidentiality. In addition, the Code of State Regulations (CSR) specifies that the originating site (patient location) must ensure immediate availability of clinical staff during a Telehealth encounter in the event a participant requires assistance.

Based on these requirements, MHD assumes in-home telehealth would be cost prohibitive to MHD participants and there would be no fiscal impact.

Section 208.686 provides that, subjection to appropriations, the department shall establish a statewide program that permits reimbursement under the MHD program for home telemonitoring services if it would be cost effective and feasible.

MHD is currently running reports to see if telemonitoring is cost effective. Assuming that it is cost effective, there will be no impact to MHD. This bill would make telemonitoring a state plan service which would require a State Plan Amendment (SPA).

MHD estimates it will need 1 FTE at the Social Services Manager B2 position for evaluation of the cost effectiveness of the service.

The total costs for this proposal are:
FY 2016: (10 months): Total $699,206 (GR $298,923; Other $45,880; Federal $354,403);
FY 2017: Total $488,336 (GR $185,234; Other $50,026; Federal $253,076); and
FY 2019: Total $395,977 (GR $151,411; Other $50,839; Federal $193,727) fully implemented.

Oversight will calculate FY 2018 costs and present them in the fiscal note table.

§208.952 - Joint Committee on Public Assistance

In response to an earlier version of this proposal, officials from the **Missouri Senate** stated the proposal will have no fiscal impact to the Missouri Senate. However, the language of the proposal establishing a joint committee to study Medicaid issues will likely have a fiscal impact ranging from $75,000 to $165,000. This estimate is based on current appropriations (rounded) for the Joint Committees of: Education, $75,000; Administrative Rules, $124,000; and Retirement Systems, $165,000. Costs of employment or consulting contracts to investigate MO HealthNet will depend on the area of specialization needed to complete the project. Also, actuarial services and/or economic forecasting for recipient demographics can range greatly; however, contract costs are likely to be less than $100,000 annually.

ASSUMPTION (continued)

Oversight will show a transfer of funds from the General Revenue Fund to the Joint Contingency Fund in an amount of "less than $265,000" annually to cover the expenses of the Joint Committee on Public Assistance and the contract/consulting costs to investigate pubic assistance programs. Oversight assumes expenditures will equal funds transferred-in and will net to $0.

In response to an earlier version of this proposal, officials from the **Missouri House of Representatives (MHR)** stated the bill provides that expenses will be paid from the Joint Contingent Fund **or** the House and Senate Contingent Funds until an appropriation is made. For fiscal note purposes, the MHR assumes they would be responsible for half of the cost for staff, (estimated at $125,000), half of the cost for equipment and expense (estimated at $125,000), and committee member expenses of $6,000 (10 members X 3 meetings per year X $200 per member) for the Joint Committee on MO HealthNet. Therefore, the MHR assumes it could be responsible for approximately $128,000 ($125,000 staff + $125,000 E&E + $6,000 member expenses = $256,000/2 = $128,000).

Oversight notes 208.952.4 of the proposal provides that the committee will meet "at least twice per year" and will not adjust MHR's estimate of expenses for three (3) meetings per year as it is not a significant amount ($2,000). Expenses proposed by the MHR appear to be in line with information provided by the Senate. Oversight will use the information provided by the Senate because of the costs provided for several joint committees and the inclusion of potential employment/contract costs. Oversight further assumes an appropriation will be made for the Joint Contingency Fund.

Officials from **Department of Elementary and Secondary Education (DESE)** state, depending on the actions of the committee, there could be a cost to the department.

DESE will have access to some state information through the MO Health Information Network exchange. However, DESE does not collect the data required through this proposal, especially at the district level. DESE can capture districts' Medicaid revenue at the end of the year through the Annual Secretary of the Board Report (ASBR), but it has no way to project future costs and growth for each school. Costs are unknown.

Oversight assumes MO HealthNet growth projections, including enrollment growth categorized by population and geographic area will be primarily the responsibility of the Department of Social Services and DESE will have minimal costs associated with this provision of the proposal.

ASSUMPTION (continued)

In response to an earlier version of this proposal, officials from the **Office of State Public Defender (SPD)** stated, for purposes of this proposal legislation, the SPD cannot assume that existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of providing false information to the Joint Committee on MO HealthNet, a new Class A misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Missouri Office of Prosecution Services (MOPS)** assume the proposal will have no measurable impact to MOPS.

Officials from the **DSS** state this section of the proposal will have no fiscal impact to the DSS as any costs associated with the committee will be paid through the Joint Contingent Fund or jointly from the Senate and House contingent fund until an appropriation is made.

§§262.960, 262.962 and 348.407 - Farm-to-School Act

Officials from the **Department of Agriculture (AGR)** assume this proposal would require one new Marketing Specialist II/III, related equipment, materials, and travel. The added employee will remain after the first year. Most states with these positions have made them permanent.

AGR assumes the position will be required to deliver the new scope of work for farm-to-school outreach detailed throughout the proposal.

AGR assumes this position will be incorporated into the existing Agri-Missouri program, all other costs would be absorbed with existing appropriation and funding.

Oversight assumes this is a new program requiring AGR to designate an employee to administer and monitor the farm-to-school program and serve as a liaison between farmers, local school districts, correctional facilities, hospitals, nursing homes, and military bases. Oversight assumes this proposal has an effective date of January 1, 2016 and will require AGR to hire 1 additional Marketing Specialist II/III FTE, paid from the Agriculture Protection Fund, for 6 months in FY 2016, with costs continuing into FY 2017, FY 2018, and beyond.

ASSUMPTION (continued)

Oversight extrapolated AGR costs to FY 2019 using a 1% inflationary rate for salary related expenses and a 2.5% inflationary rate for all other costs (the same rates currently used in fiscal note calculations). Fully Implemented Costs present all agency costs to the first year of full implementation of all provisions of the proposal.

§301.142 - Physical Therapists Statements Authorized for Disabled License Plate/Placard

Officials from the **Department of Revenue (DOR)** state section 301.142 adds "physical therapists licensed pursuant to chapter 334" to the definition of "other authorized healthcare practitioner" for purposes of issuing a disabled person license plate and/or placard.

The DOR is to check online with the advisory commission for physical therapists established in Section 334.625, RSMo, when an applicant brings in a signed statement from a physical therapist for a disable person license plate and/or placard.

The DOR assumes the proposal will have the following administrative impact to the Motor Vehicle Bureau:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours at a cost of $890 in FY 2016.
- The Physicians Statement for Disabled Person Plates/Placard (DOR-1776) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of $890 in FY 2016.
- The Application for Missouri Personalized and Special License Plates (DOR-1716) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of $890 in FY 2016.
- The Application for Missouri Military Personalized License Plates (DOR-4601) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of $890 in FY 2016.
- The Application for Disabled Person Placard (DOR-2769) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of $890 in FY 2016.
- The Application for Missouri Historic or Personalized Historic License Plates (DOR-570) will need to be revised. This will require 40 hours for a Management Analyst Specialist I, at a cost of $890 in FY 2016.
- The Department's website will need to be updated. This will require 10 hours for an Administrative Analyst III, at a cost of $240 in FY 2016.

The DOR assumes the proposal will an impact of $5,580 to the General Revenue Fund for their organization in FY 2016.

Oversight assumes the DOR can absorb the minimal costs associated with this proposal.

ASSUMPTION (continued)

§376.379 - Medication Synchronization Services

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state technically, this proposal would not apply to MCHCP as it is neither a health carrier nor a health benefit plan; however, if MCHCP were to adopt this provision, the impact would be unknown, but greater than $100,000 annually as MCHCP's copayment structure is set for prescriptions up to a 30 day supply, 60 day supply or 90 day supply. There is not proration for supplies less than those milestones.

Oversight will range MCHCP's costs as $0 or greater than $100,000 annually (assuming the provisions are adopted by MCHCP). Oversight also assumes the provisions, if they are adopted, will be effective January 1, 2016 when the new state employee plan year begins. Costs to MCHCP will be distributed across state funds in the following percentages:

General Revenue	61%
Other State Funds	14%
Federal Funds	25%

Officials from the **DSS** state since the language in this section refers only to patients of private health insurance, this would not impact MO HealthNet or its contracted health plans as the pharmacy benefits are carved out of the Managed Care benefit package. MO HealthNet reimburses the pharmacy benefit for all enrollees through the Medicaid fee-for-service. MHD perceives no fiscal impact from this legislation.

In response to similar provisions (HCS HB 198), officials from **Missouri Department of Conservation** and the **Department of Transportation** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety, Missouri State Highway Patrol** defer to the Missouri Department of Transportation (MoDOT), Employee Benefits Section for response on behalf of the Highway Patrol. Please see MoDOT's fiscal note response for the potential fiscal impact of this proposal.

§ 376.388 - Pharmacy Benefit Managers and Contracted Pharmacies

Officials from the **DSS** state this section outlines the procedures to be used by pharmacy benefit managers (PBMs) with contracted pharmacies participating in a PBM network regarding a MAC (Maximum Allowable Cost) List.

ASSUMPTION (continued)

Since the language in this section refers only to patients of private health insurance, this would not impact MO HealthNet or its contracted health plans as the pharmacy benefits are carved out of the Managed Care benefit package. MO HealthNet reimburses the pharmacy benefit for all enrollees through fee-for-service.

§ 376.685 - Optometric Services

Officials from the **DSS** state this section prohibits a health insurance plan from requiring an optometrist to provide additional services or material at a limited or lower fee unless the services are reimbursed as covered services under the contract.

Under the MHD Managed Care program and Medicaid in general, services cannot be reimbursed beyond the Medicaid covered services unless they are services provided "in lieu of" other more costly services. It is assumed the optical services that could be non-covered services would be stand alone services and not replacement services for another similar service. Therefore, MHD does not believe these services could be reimbursed by the health plans or paid through a capitation rate by MHD. There would be no fiscal impact to the MHD Managed Care program for this requirement.

Bill as a Whole

Officials from the **University of Missouri (UM)** state the proposal has been reviewed and it has been determined that as written, it should not create additional expenses in excess of $100,000 annually.

Oversight assumes the UM's response indicates that whatever costs may be incurred are absorbable within current funding levels.

Officials from the **Department of Economic Development**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Natural Resources**, the **Department of Corrections**, the **Joint Committee on Administrative Rules** and the **Office of Administration** each assume the proposal would not fiscally impact their respective agencies.

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
GENERAL REVENUE FUND				
Savings - DSS-FSD/MHD (§208.065)				
Recovery from eligibility verifications for Medicaid/MO HealthNet	$501,766	$1,449,546	$1,338,043	$0
Savings - DSS-MHD (§§208.670 - 208.677)				
Reduced NEMT costs	$0	$0	$0	$38,717
Total All Savings	$501,766	$1,449,546	$1,338,043	$38,717
Costs - DSS (§§191.236 - 191.238)				
Health information organization related costs	(Greater than $83,333	(Greater than $100,000)	(Greater than $100,000)	(Greater than $100,000)
Costs - DHSS (§192.380)				
Personal service	($287,406)	($348,336)	($351,819)	($362,480)
Fringe benefits	($149,465)	($181,152)	($182,963)	($188,508)
Equipment and expense	($77,234)	($73,844)	($75,690)	($81,510)
PAC meeting expense	($29,820)	($16,974)	($17,399)	($18,737)
Total Costs - DHSS	($543,925)	($620,306)	($627,871)	($651,235)
FTE Change - DHSS	7 FTE	7 FTE	7 FTE	7 FTE
Costs - DSS-FSD/MHD (§208.065)				
Contract and case management fees for eligibility verifications	($1,120,167)	($1,710,357)	($1,782,192)	($1,857,044)
Costs - OA-ITSD (§208.065)				
Contract IT costs	($101,736)	$0	$0	$0

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
GENERAL REVENUE FUND (cont.)				
Costs - DSS-MHD				
MMIS system costs (§208.671)	($137,500)	$0	$0	$0
Program distributions for asynchronous telehealth services (§208.670.4)	($69,660)	($85,181)	($86,800)	($88,450)
Total Costs - DSS-MHD	($207,160)	($85,181)	($86,800)	($88,450)
Costs - DSS-MHD (§§208.670 - 208.677)				
Personal service	($48,273)	($58,507)	($59,092)	($59,683)
Fringe benefits	($25,104)	($30,427)	($30,731)	($31,038)
Equipment and expense	($12,207)	($6,328)	($6,486)	($6,648)
Total Costs - DSS-MHD	($85,584)	($95,262)	($96,309)	($97,369)
FTE Change - DSS-MHD	1.2 FTE	1.2 FTE	1.2 FTE	1.2 FTE
Costs - MCHCP (§376.379)				
Prorating prescriptions	$0 or (Greater than $30,500)	$0 or (Greater than $61,000)	$0 or (Greater than $61,000)	$0 or (Greater than $61,000)
Total All Costs	(Greater than $2,172,405)	(Greater than $2,672,106)	(Greater than $2,754,172)	(Greater than $2,855,098)
Transfer-out from General Revenue to Joint Contingency Fund				
Transfer for expenses associated with the Joint Committee on MO HealthNet (§208.952)	(Less than $265,000)	(Less than $265,000)	(Less than $265,000)	(Less than $265,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	**(Greater than $1,935,639)**	**(Greater than $1,487,560)**	**(Greater than $1,681,129**	**(Greater than $3,081,381**
Estimated Net FTE Change on the General Revenue Fund	8.2 FTE	8.2 FTE	8.2 FTE	8.2 FTE

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
JOINT CONTINGENCY FUND				
Transfer-in from General Revenue Fund				
Transfer-in to cover expenses of the Joint Committee on Public Assistance (§208.952)	Less than $265,000	Less than $265,000	Less than $265,000	Less than $265,000
Costs - Joint Committee on Public Assistance				
Expenses related to monitoring and reviewing information related to public assistance programs including 2 FTE (§208.952)	(Less than $265,000)	(Less than $265,000)	(Less than $265,000)	(Less than $265,000)
ESTIMATED NET EFFECT ON THE JOINT CONTINGENCY FUND	**$0**	**$0**	**$0**	**$0**
Estimated Net FTE Effect on the Joint Contingency Fund	2 FTE	2 FTE	2 FTE	2 FTE

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
AGRICULTURE PROTECTION FUND				
Costs - AGR § 262.960				
Personal Service	($19,020)	($38,420)	($38,805)	($39,193)
Fringe Benefits	($9,701)	($19,596)	($19,792)	($19,990)
Expense and Equipment	($8,400)	($12,300)	($12,608)	($12,923)
Total Costs - AGR	($37,121)	($70,316)	($71,205)	($72,106)
FTE Change - AGR	1 FTE	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND	**($37,121)**	**($70,316)**	**($71,205)**	**($72,106)**
Estimated Net FTE Change for the Agriculture Protection Fund	1 FTE	1 FTE	1 FTE	1 FTE
OTHER STATE FUNDS (various)				
Savings - DSS-FSD/MHD (§208.065)				
Recovery from eligibility verifications for Medicaid/MO HealthNet	$334,511	$966,364	$892,028	$0
Costs - DSS-MHD (§§208.670 - 208.677)				
Personal service	($24,137)	($29,254)	($29,546)	($29,841)
Fringe benefits	($12,552)	($15,214)	($15,365)	($15,519)
Equipment and expense	($6,102)	($3,164)	($3,243)	($3,324)
Total Costs - DSS-MHD	($42,791)	($47,632)	($48,154)	($48,684)
FTE Change - DSS-MHD	0.6 FTE	0.6 FTE	0.6 FTE	0.6 FTE

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
OTHER STATE FUNDS (various) (cont.)				
Costs - MCHCP (§376.379)				
Prorating Prescriptions	$0 or (Greater than $7,000)	$0 or (Greater than $14,000)	$0 or (Greater than $14,000)	$0 or (Greater than $14,000)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS (various)	**Less than $284,720**	**Less than $904,732**	**Less than $829,874**	**(Greater than $62,684)**
Estimated Net FTE Change on Other State Funds (various)	0.6 FTE	0.6 FTE	0.6 FTE	0.6 FTE
FEDERAL FUNDS				
Income - DSS (§§191.236 - 191.238)				
Income for health information organization expenditures	Greater than $83,333	Greater than $100,000	Greater than $100,000	Greater than $100,000
Income - DSS-FSD/MHD (§208.065)				
Income for program reimbursements for contract and case management fees for eligibility verifications	$1,654,033	$2,266,644	$2,361,843	$2,461,040
Income - DSS-MHD (§§208.670 - 208.677)				
Increase in program reimbursements	$345,294	$248,285	$252,423	$256,648

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
FEDERAL FUNDS (cont.)				
Savings - DSS-FSD/MHD (§208.065)				
Reduction in program expenditures due to verification of eligibility for Medicaid/MO HealthNet	$1,443,835	$4,171,080	$3,850,227	$0
Savings - DSS-FSD/MHD (§208.065)				
Reduction in SNAP expenditures	$1,143,180	$3,301,650	$3,049,002	$0
Savings - DSS-MHD (§§208.670 - 208.677)				
Reduced NEMT costs	$0	$0	$0	$66,844
Total All Income and Savings	Greater than $4,669,675	Greater than $10,087,659	Greater than $9,613,495	Greater than $2,884,532
Costs - DSS (§§191.236 - 191.238)				
Health information organization expenditures	(Greater than $83,333)	(Greater than $100,000)	(Greater than $100,000)	(Greater than $100,000)
Costs - DSS-FSD/MHD (§208.065)				
Contract and case management fees for eligibility verifications	($1,654,033)	($2,266,644)	($2,361,843)	($2,461,040)

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
FEDERAL FUNDS (cont.)				
Costs - DSS-MHD MMIS system costs (§208.671)	($137,500)	$0	$0	$0
Program distributions for asynchronous telehealth services (§208.670.4)	($122,210)	($153,023)	($156,114)	($159,279)
Total Costs - DSS-MHD	($259,710)	($153,023)	($156,114)	($159,279)
Costs - DSS-MHD (§§208.670 - 208.677)				
Personal service	($48,273)	($58,507)	($59,092)	($59,683)
Fringe benefits	($25,104)	($30,427)	($30,731)	($31,038)
Equipment and expense	($12,207)	($6,328)	($6,486)	($6,648)
Total Costs - DSS-MHD	($85,584)	($95,262)	($96,309)	($97,369)
FTE Change - DSS-MHD	1.2 FTE	1.2 FTE	1.2 FTE	1.2 FTE
Costs - MCHCP (§376.379)				
Prorating Prescriptions	$0 or (Greater than $12,500)	$0 or (Greater than $25,000)	$0 or (Greater than $25,000)	$0 or (Greater than $25,000)
Total All Costs	(Greater than $2,095,160)	(Greater than $2,639,929)	(Greater than $2,739,266)	(Greater than $2,842,688)
Loss - DSS-FSD/MHD (§208.065)				
Reduction in program reimbursements due to verification of eligibility for Medicaid/MO HealthNet	($1,443,835)	($4,171,080)	($3,850,227)	$0

FISCAL IMPACT - State Government	FY 2016 (6 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
FEDERAL FUNDS (cont.)				
Loss - DSS-FSD/MHD (§208.065)				
Reduction in SNAP funds to the state	($1,143,180)	($3,301,650)	($3,049,002)	$0
Loss - DSS-MHD (§§208.670 - 208.677)				
Reduction in NEMT reimbursements	$0	$0	$0	($66,844)
Total All Losses	($2,587,015)	($7,472,730)	($6,899,229)	($66,844)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**(Greater than $12,500)**	**(Greater than $25,000)**	**(Greater than $25,000)**	**(Greater than $25,000)**
Estimated Net FTE Change on Federal Funds	1.2 FTE	1.2 FTE	1.2 FTE	1.2 FTE

FISCAL IMPACT - Local Government	FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2019)
	$0	**$0**	**$0**	**$0**

FISCAL IMPACT - Small Business

Small business perinatal centers who provide perinatal care may incur a fiscal impact to adequately address the requirements of the proposed legislation. (Section 192.380)

This proposal may positively impact small business healthcare providers by allowing them to provide telehealth services to participants in their homes or schools. (§§208.670 - 208.677 and 208.686)

An increase in revenues to local small business farmers working with local school districts, correctional facilities, hospitals, nursing homes, and military bases to provide locally grown food could be expected from this proposal. (§§ 262.960, 262.962, and 348.407)

FISCAL DESCRIPTION

The provision of this proposal adds that all approved health information organizations shall exchange standards-based clinical summaries for patients and all clinical and claims data from any agency within the state. Beginning August 28, 2015 all existing single feasible source vendor contracts awarded to health information organizations operating in the state shall receive no further appropriations. In addition the state shall not restrict the availability of or access to any state agency sponsored data sets including but not limited to, MO HealthNet patient level claim data and MO HealthNet patient level clinical data to any approved health information organization.

The Missouri Health Information Exchange Commission is created. The commission shall have the authority to develop process by which a health information organization may receive approval status, develop a process for the investigation of reported complaints and develop a process by which an approved health information organization shall be reapproved at appropriates levels. (§§191.236 - 191.238)

This proposal establishes the Perinatal Advisory Council, which shall be comprised of representatives from specified community and health organizations and professions. After receiving public input, the council shall make recommendations for the division of the state into neonatal and maternal care regions. The council shall also establish standards for all neonatal and maternal levels of birthing hospital care, focusing on facilities, coordination, management, risk identification and referrals, consultation services, reporting requirements, and monitoring and evaluation of performance. The council shall base its standards upon evidence and best practices as identified by the American Academy of Pediatrics and the American Congress of Obstetricians and Gynecologists. By January 1, 2017, hospital license applications shall include the appropriate level of maternal care and neonatal care designations under the standards established in this proposal. Beginning January 1, 2017, any hospital operated by a state university shall report, upon request by the department, the appropriate level of maternal care designation and neonatal care designation as determined by the standards. The department may partner with appropriate nonprofit organizations meeting specified requirements to administer the provisions of the section. (Section 192.380)

By January 1, 2016, this proposal requires the Department of Social Services to procure a contractor for the purpose of providing verification of initial and ongoing eligibility data for the Supplemental Nutrition Assistance Program; Temporary Assistance for Needy Families; Women, Infants, and Children Supplemental Nutrition Program; Child Care Assistance Program; and MO HealthNet Program. The contractor must conduct data matches using specified information relevant to eligibility against public records and other data sources to verify eligibility data. The contractor must evaluate the income, resources, and assets of each applicant and recipient no less than quarterly. In addition to quarterly eligibility data verification, the contractor must identify

FISCAL DESCRIPTION (continued)

on a monthly basis any program participants who have died, moved out of state, or have been incarcerated longer than 90 days. Upon completing an eligibility data verification of an applicant or recipient, the contractor is required to notify the department of the results, except that the contractor is prohibited from verifying the eligibility data of persons residing in long-term care facilities whose income and resources were at or below the applicable financial eligibility standards at the time of their last review. The department must make an eligibility determination within 20 business days of receipt of the notification. The proposal requires the department to retain final authority over eligibility determinations and the contractor must keep a record of all eligibility data verifications communicated to the department.

The department and contractor must file a joint report on a yearly basis, within 30 days of the end of each calendar year, to the Governor, the Speaker of the House of Representatives, and the President Pro Tem of the Senate. The proposal specifies the information that must be included in the report. (§§208.065 and 208.078)

The proposal changes the laws regarding the use of store-and-forward technology in the practice of telehealth services for MO HealthNet recipients. The proposal defines "asynchronous store-and-forward" as the transfer of a patient's clinically important digital samples, such as still images, videos, audio, and text files, and relevant data from an originating site through the use of a camera or similar recording device that stores digital samples that are forwarded via telecommunication to a distant site for consultation by a consulting provider without requiring the simultaneous presence of the patient and the patient's treating provider. The proposal requires the Department of Social Services, in consultation with the departments of Mental Health and Health and Senior Services, to promulgate rules governing the use of asynchronous store-and-forward technology in the practice of telehealth in MO HealthNet. The rules must address asynchronous store-and-forward usage issues as specified in the bill. Telehealth providers using asynchronous store-and-forward technology must be required to obtain patient consent before asynchronous store-and-forward services are initiated and to ensure confidentiality of medical information. Asynchronous store-and-forward technology in the practice of telehealth may be utilized to service individuals who are qualified as MO HealthNet participants under Missouri law. Reimbursement for the asynchronous store-and-forward services must be made so that the total payment for the consultation must be divided between the treating provider and the consulting provider. The total payment for both the treating provider and the consulting provider must not exceed the payment for a face-to-face consultation of the same level. The standard of care for the use of asynchronous store-and-forward technology in the practice of telehealth must be the same as the standard of care for face-to-face care.

The proposal establishes the Telehealth Services Advisory Committee to advise the Department of Social Services and propose rules regarding the coverage of telehealth services utilizing asynchronous store-and-forward technology. The committee must be comprised of the following members with non-Department of Social Services members appointed by the Governor: (1) The

FISCAL DESCRIPTION (continued)

Director of the MO HealthNet Division within the Department of Social Services, or the director's designee; (2) The medical director of the MO HealthNet Division; (3) A representative from a Missouri institution of higher education with expertise in telemedicine; (4) A representative from the Missouri Office of Primary Care and Rural Health within the Department of Health and Senior Services; (5) Two board-certified specialists licensed to practice in Missouri; (6) A representative from a hospital located in Missouri that utilizes telehealth medicine; (7) A primary care provider from a federally qualified health center (FQHC) or rural health clinic; and (8) A primary care provider from a rural setting other than from an FQHC or rural health clinic. Members of the committee must not receive any compensation for their services but must be reimbursed for any actual and necessary expenses incurred in the performance of their duties.

The proposal requires specified individuals who are licensed in Missouri to be considered eligible health care providers for the provision of telehealth services in the MO HealthNet Program. Eligible individuals must include: (1) Physicians, assistant physicians, and physician assistants; (2) Advanced registered nurse practitioners; (3) Dentists, oral surgeons, and dental hygienists under the supervision of a currently registered and licensed dentist; (4) Psychologists and provisional licensees; (5) Pharmacists; (6) Speech, occupational, or physical therapists; (7) Clinical social workers; (8) Podiatrists; (9) Licensed professional counselors; and (10) Health care providers practicing in a rural health clinic or federally qualified health center.

The proposal defines "originating site" as a telehealth site where the MO HealthNet participant receiving the telehealth service is located for the encounter and "clinical staff" as any health care provider licensed to practice in Missouri. The originating site must ensure immediate availability of clinical staff during a telehealth encounter if a participant requires assistance; however, no originating site must be required to maintain immediate availability of on-site clinical staff during the telemonitoring services or activities. An originating site must be one of the following locations: (1) Office of a physician or health care provider; (2) Hospital; (3) Critical access hospital; (4) Rural health clinic; (5) Federally qualified health center; (6) Licensed long-term care facility; (7) Dialysis center; (8) Missouri state habilitation center or regional office; (9) Community mental health center; (10) Missouri state mental health facility; (11) Missouri state facility; (12) Missouri residential treatment facility licensed by and under contract with the Children's Division within the Department of Social Services that has a contract with the division. Facilities must have multiple campuses and have the ability to adhere to technology requirements. Missouri licensed psychiatrists, licensed psychologists, or provisionally licensed psychologists, and advanced registered nurse practitioners who are enrolled MO HealthNet providers must be the only consulting providers at these locations; (13) Comprehensive Substance Treatment and Rehabilitation (CSTAR) Program; (14) School; (15) The MO HealthNet recipient's home; or (16) Clinical designated area in a pharmacy. If the originating site is a school, the school must obtain permission from the parent or guardian of any student receiving telehealth services prior to each provision of service.

FISCAL DESCRIPTION (continued)

Subject to appropriations, the department must establish a statewide program that permits reimbursement under the MO HealthNet Program for home telemonitoring services. The proposal defines "home telemonitoring service" as a health care service that requires scheduled remote monitoring of data related to a patient's health and transmission of the data to a Utilization Review Accreditation Commission accredited health call center. The program must: (1) Provide that home telemonitoring services are available only to individuals who are diagnosed with conditions specified in the bill and who exhibit two or more of specified risk factors; (2) Ensure that clinical information gathered by a home health agency or hospital while providing home telemonitoring services is shared with the patient's physician; and (3) Ensure that the program does not duplicate any disease management program services provided by MO HealthNet. If, after implementation, the department determines that the program established under these provisions is not cost effective, the department may discontinue the program and stop providing reimbursement under the MO HealthNet Program for home telemonitoring services. The department must determine whether the provision of home telemonitoring services to individuals who are eligible to receive benefits under both the MO HealthNet and Medicare programs achieves cost savings for the Medicare Program. If, before implementing any of these provisions, the department determines that a waiver or authorization from a federal agency is necessary for implementation, it must request the waiver or authorization and may delay implementation until the waiver or authorization is granted. (§§208.670 - 208.677 and 208.686)

This proposal amends the Joint Committee on Public Assistance to have as its purpose of study the efficacy of the program as well as the resources needed to continue and improve public assistance program over time. The committee shall receive and obtain information from the departments of Social Services, Mental Health, Health and Senior Services and Elementary and Secondary Education as applicable, regarding the projected budget of all public assistance programs including, but not limited to, MO HealthNet, the supplemental nutrition assistance program (SNAP), and temporary assistance for needy families (TANF).

The committee shall meet at least twice a year and shall provide public notice of such meetings thirty days in advance. The committee is authorized to hire an employee or enter into employment contracts. The compensation of such personnel and the expenses of the committee. The committee may also hire or contract for an executive director to conduct investigations to fulfill the duties of the committee. (§208.952)

This proposal changes and expands the Farm-to-School Program to the Farm-to-Table Program to include schools, correctional facilities, hospitals, nursing homes, and military bases. The proposal requires the Department of Agriculture to establish program goals, including that participating institutions must purchase at least 5% of their food locally by December 31, 2018.

FISCAL DESCRIPTION (continued)

The proposal also changes and expands the Farm-to-School Taskforce to the Farm-To-Table Taskforce to include a representative from the Departments of Corrections and Health and Senior Services and a representative from one of the state's military bases.

The Director of the Department of Corrections will appoint one person who is employed as a correctional facility food service director and the Director of the Department of Health and Senior Services will appoint one person who is employed as a hospital or nursing home food services director.

This proposal has an effective date of January 1, 2016. (§§ 262.960, 262.962, and 348.407)

This proposal requires a health carrier and health benefit plan that provides prescription drug coverage in the state to permit and apply a prorated daily cost-sharing rate to prescriptions that are dispensed by a network pharmacy for less than a 30 day supply if the prescriber or pharmacist indicates the fill or refill could be in the best interest of the patient or is for the purpose of synchronizing the patient's chronic medications.

A health carrier or health benefit plan that provides prescription drug coverage is prohibited from denying coverage for the dispensing of any drug prescribed for the treatment of a chronic illness that is made in accordance with a plan among the insured, the prescriber, and a pharmacist to synchronize the refilling of multiple prescriptions for the insured. The proposal prohibits a health carrier or health benefit plan providing prescription drug coverage from using payment structures incorporating prorated dispensing fees determined by calculation of the days' supply of medication dispensed and requires dispensing fees to be determined exclusively on the total number of prescriptions dispensed. (§376.379)

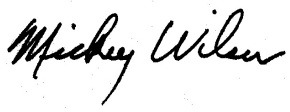
This legislation is not federally mandated, would not duplicate any other program and but may require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Mental Health
Department of Natural Resources

SOURCES OF INFORMATION (continued)

Department of Corrections
Department of Revenue
Department of Public Safety -
    Missouri State Highway Patrol
Department of Social Services -
    MO HealthNet Division
    Division of Legal Services
Office of the Governor
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri House of Representatives
Missouri Department of Transportation
Office of Administration -
    Information Technology Services Division
Missouri Senate
Office of Secretary of State
University of Missouri



Mickey Wilson, CPA
Director
May 11, 2015

Ross Strope
Assistant Director
May 11, 2015