

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0518-01  
Bill No.: SB 9  
Subject: Boards, Commissions, Committees, Councils; Health Care; Medicaid  
Type: Original  
Date: January 21, 2015

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Bill Summary: This proposal modifies the duties and powers of the Joint Committee on MO HealthNet.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Less than \$265,000)	(Less than \$265,000)	(Less than \$265,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less than \$265,000)</b>	<b>(Less than \$265,000)</b>	<b>(Less than \$265,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Joint Contingency *	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Transfer-in and expenses net to \$0.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

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

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

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

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

## FISCAL ANALYSIS

### ASSUMPTION

#### §208.952 - Joint Committee on MO HealthNet

Officials from the **Missouri Senate** state 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.

**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 MO HealthNet and the contract/consulting costs to investigate MO HealthNet. Oversight assumes expenditures will equal funds transferred-in and will net to \$0.

Officials from the **Missouri House of Representatives (MHR)** state 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 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 to the Joint Contingency Fund.

Officials from the **Department of Social Services** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND</b>			
<u>Transfer-out</u> from General Revenue to the Joint Contingency Fund			
Transfer for expenses associated with the Joint Committee on MO HealthNet (\$208.952)	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(Less than \$265,000)</u></b>	<b><u>(Less than \$265,000)</u></b>	<b><u>(Less than \$265,000)</u></b>
 <b>JOINT CONTINGENCY FUND</b>			
<u>Transfer-in</u> from General Revenue Fund			
Transfer-in to cover expenses of the Joint Committee on MO HealthNet (\$208.952)	Less than \$265,000	Less than \$265,000	Less than \$265,000
<u>Costs</u> - Joint Committee on MO HealthNet			
Expenses related to monitoring and reviewing information related to the MO HealthNet program(\$208.952)	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>
<b>ESTIMATED NET EFFECT ON THE JOINT CONTINGENCY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

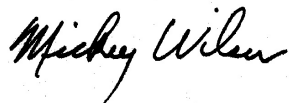
This proposal amends the Joint Committee on MO HealthNet to have as its purpose of study the efficacy of the program as well as the resources needed to continue and improve the MO HealthNet program over time. The committee shall receive and obtain information from the departments of Social Services, Mental Health, Health and Senior Services and Elementary and Secondary Education as applicable, regarding the projected budget of the entire MO HealthNet program including projected MO HealthNet enrollment growth, categorized by population and geographic area.

The committee shall meet at least three times a year. 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.

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 Social Services  
Missouri House of Representatives  
Missouri Senate



Mickey Wilson, CPA  
Director  
January 21, 2015

Ross Strobe  
Assistant Director  
January 21, 2015