

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0642-06
Bill No.: HCS for SCS for SB 107
Subject: Licenses - Professional; Boards, Commissions, Committees, Councils;
 Administrative Law; Administrative Rules; Department of Insurance;
 Chiropractors; Physicians; Dentists; Nurses; Optometry
Type: Original
Date: May 12, 2015

Bill Summary: This proposal modifies provisions relating to professional registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$630,757)	(\$620,306)	(\$627,871)
Total Estimated Net Effect on General Revenue	(\$630,757)	(\$620,306)	(\$627,871)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Various Professional Registration Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 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	7	7	7
Total Estimated Net Effect on FTE	7	7	7

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

Section 192.380

In response to a similar proposal from this session, HB 735, officials from the **Department of Health and Senior Services (DHSS)** stated 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;
- 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.

ASSUMPTION (continued)

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.

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.

In response to a similar proposal from this session, HCS for SCS for SB 197, officials from the **University of Missouri (UM) Health Care** stated the UM does not expect the proposed legislation to have a negative financial impact in excess of \$100,000 annually.

ASSUMPTION (continued)

The proposed legislation may also put the University's residency programs in obstetrics and gynecology, pediatrics, and other surgical specialties that rotate through the Neonatal Intensive Care Unit at risk due to the required experience necessary for these educational programs.

The health care system that is currently set up does not meet the definition of a level 4 maternity center under the proposed legislation. The estimated impact is based on UM's evaluation of lost business related to not meeting level 4 status versus the cost to close the proposed gap. The costs to close the gap will require additional resources that would enable UM Health Care to achieve a level 4 designation which includes additional critical care physicians, additional critical care nursing, minimal facility upgrades (one-time cost), training costs (mix of one-time and ongoing annual expense), and an unknown impact to other departments of the hospital needed to support Intensive Care Unit (ICU) patients differently than what is the current process.

In response to a similar proposal, SB 146, officials from the **Governor's Office (GOV)** state section 192.380 establishes the Perinatal Advisory Council, which is comprised of seventeen (17) gubernatorial appointees. There should be no added cost to the GOV as a result of this proposal. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Section 193.145 - Death Certificates

In response to a similar proposal from this year, HB 1113, officials from the **Department of Health and Senior Services (DHSS), Division of Community and Public Health (DCPH)** stated section 193.145.1 would allow physician assistants, assistant physicians and advanced practice registered nurses to certify to the cause and manner on a death certificate. It will require modifications to the Missouri Certificate of Death form. The forms will have to be printed at a cost of \$3,500 (\$0.035 each X 100,000 copies). This is a one-time cost for FY 2016 to revise forms and print a supply.

Section 193.145.4 and .5 would allow additional users to enter the manner and cause of death information on behalf of the medical certifier. This will result in modifications to the user roles and edits in the electronic death registration system.

Oversight assumes the DHSS can absorb the minimal cost associated with printing a supply of Missouri Certificate of Death forms.

ASSUMPTION (continued)

DHSS officials provided the response for the **Office of Administration (OA), Information Technology Services Division (ITSD)**. ITSD states it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. Based on the cost of similar work completed by a vendor, ITSD estimates one-time IT contractor costs of \$86,832 to make the necessary changes to the electronic death registration system ($1,157.76 \times \$75/\text{hour} = \$86,832$).

In response to a similar proposal from this year, HB 1113, officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated the proposed legislation would require the Board of Registration for the Healing Arts to conduct an annual review of the healing arts and nursing professions and provide notification of compliance requirements. It is unknown if this reporting method could be accomplished under existing appropriation. However, if the board is expected to review each death certificate to determine if they are in agreement with the action taken, it would require the board to obtain copies of medical records and have these records reviewed by a member of board staff and then reviewed by the full board. This would require additional FTE and expenses which would be requested through the appropriations process.

Oversight assumes the DIFP can accomplish the additional responsibilities of this proposal with existing staff and appropriations. However, if additional resources are needed, the DIFP can request the resources through the appropriations process.

Section 301.142

In response to a similar proposal from this session, SB 354, officials from the **Department of Revenue (DOR)** stated 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 disabled person license plate and/or placard.

ASSUMPTION (continued)

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.

Section 324.001

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this legislation would have an unknown cost to various Professional Registration funds until contracts are established for the purpose of data collection. It is assumed the proposal would apply to all health-related boards.

The boards would incur minimal costs to collect the data. If the board(s) enter into a third party contract to analyze the data, the cost of the contract(s) would be based on the Request For Proposal (RFP).

ASSUMPTION (continued)

Officials from the **DIFP** also state that it is unknown what professions may be affected by this legislation in the future. Therefore, the fiscal impact to their department is unknown.

Oversight assumes this proposal establishes guidelines for the regulation of future professions. The fiscal impact for specific professional regulations will be reflected in the enabling legislation.

In response to a similar proposal from this session, HB 735, officials from the **DHSS** state this section of the proposal allows state boards to collaborate with the DHSS to collect and analyze workforce data to assess the availability of qualified health providers.

It is assumed that the MoHWoRx platform for the collection of information on the healthcare workforce will continue to be utilized and that additional resources will be added to ensure data quality, identify data gaps and provide the advanced analytics necessary to provide the information on the workforce to the various boards.

To perform these additional duties, the Division of Community and Public Health (DCPH) will need one FTE Research Analyst III (\$39,984 annually). Total costs to the General Revenue Fund are estimated to be \$67,569 for FY 2016; \$74,376 for FY 2017; and \$75,318 for FY 2018.

Oversight assumes the language of the proposal is permissive since it states in 324.001.14(1) that the state boards “may individually or collectively enter into a contractual agreement with the department of health and senior services...” Therefore, the DHSS may or may not need additional resources to collect and analyze workforce data.

In response to a similar proposal, HB 112, 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.

ASSUMPTION (continued)

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 a similar proposal, HB 112, officials from the **Department of Higher Education**, the **Joint Committee on Administrative Rules**, and the **University of Missouri** each assume the proposal would not fiscally impact their respective agencies.

Sections 324.023, 345.015, 345.020, 345.025, 345.040, 345.050, 345.051, 345.065, 345.080

Officials from the **DIFP** assumed the provisions of the proposal could be handled within current appropriations. However, should the extent of the work be more than anticipated, some boards may require an additional FTE and expenses, which would be requested through the appropriation process.

Officials from the **DIFP** assume all other sections of this version of the proposal will not have a fiscal impact on their agency.

Bill as a Whole

In response to a similar proposal, SB 146, officials from the **Department of Elementary and Secondary Education**, the **Administrative Hearing Commission**, the **Department of Social Services**, the **Missouri Consolidated Health Care Plan**, the **Department of Public Safety - Missouri Gaming Commission**, the **Department of Public Safety - Missouri Highway Patrol**, and the **Department of Corrections** assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Costs - DHSS (\$192.380)</u>			
Personal service	(\$287,406)	(\$348,336)	(\$351,819)
Fringe benefits	(\$149,465)	(\$181,152)	(\$182,963)
Equipment and expense	(\$77,234)	(\$73,844)	(\$75,690)
PAC meeting expense	(\$29,820)	(\$16,974)	(\$17,399)
Total <u>Costs</u> - DHSS	(\$543,925)	(\$620,306)	(\$627,871)
FTE Change - DHSS	7 FTE	7 FTE	7 FTE
 <u>Costs - OA-ITSD (§§193.015 and 193.145)</u>			
IT contractor costs	(\$86,832)	<u>\$0</u>	<u>\$0</u>
 ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	 <u>(\$630,757)</u>	 <u>(\$620,306)</u>	 <u>(\$627,871)</u>
 Estimated Net FTE Change on the General Revenue Fund	 7 FTE	 7 FTE	 7 FTE
 PROFESSIONAL REGISTRATION FUNDS (various health-related)			
<u>Costs - DIFP (§324.001)</u>			
Data collection costs	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
 ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FUNDS	 <u>\$0 or (Unknown)</u>	 <u>\$0 or (Unknown)</u>	 <u>\$0 or (Unknown)</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

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

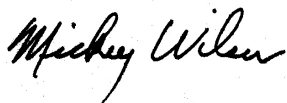
FISCAL DESCRIPTION

This proposal modifies provisions relating to professional registration.

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 Health and Senior Services
Office of the Governor
University of Missouri Health Care
Department of Elementary and Secondary Education
Administrative Hearing Commission
Office of the Secretary of State
Department of Higher Education
Joint Committee on Administrative Rules
University of Missouri
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Public Safety
 Missouri Highway Patrol
 Missouri Gaming Commission
Department of Corrections
Department of Revenue
Department of Insurance, Financial Institutions and Professional Registration
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