

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0991-02  
Bill No.: Perfected SCS for SB 197  
Subject: Medicaid; General Assembly; Social Services Department; Mental Health Department; Health Department; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils  
Type: Original  
Date: April 1, 2015

Bill Summary: This proposal modifies provisions relating to 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 6 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>
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</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>
Local Government	\$0	\$0	\$0

## FISCAL ANALYSIS

### ASSUMPTION

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

Officials from the **Missouri Senate (SEN)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in a similar proposal from the current session (SB 38), SEN officials 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.

**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. Oversight will also assume the estimated expenses of the joint committee include 2 FTE.

Officials from the **Missouri House of Representatives (MHR)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in a similar proposal from the current session (Perfected SB 38), MHR officials 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 ( $\$125,000 \text{ staff} + \$125,000 \text{ E\&E} + \$6,000 \text{ member expenses} = \$256,000 / 2 = \$128,000$ ).

**Oversight** notes 208.952.3 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.

ASSUMPTION (continued)

Officials from **Department of Elementary and Secondary Education (DESE)** stated, 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.

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Corrections**, the **Department of Social Services**, **MO HealthNet Division** and the **Division of Legal Services**, the **Missouri Office of Prosecution Services** and the **Office of State Courts Administrator** each assumed the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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**GENERAL REVENUE FUND**

Transfer-out from General Revenue to Joint Contingency Fund

Transfer for expenses associated with the Joint Committee on MO HealthNet (\$208.952)	(Less than <u>\$265,000</u> )	(Less than <u>\$265,000</u> )	(Less than <u>\$265,000</u> )
FTE Change - Joint Committee	2 FTE	2 FTE	2 FTE

<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(Less than <u>\$265,000</u>)</b>	<b>(Less than <u>\$265,000</u>)</b>	<b>(Less than <u>\$265,000</u>)</b>
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Estimated Net FTE Change to the General Revenue Fund	2 FTE	2 FTE	2 FTE
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016 (10 Mo.)	FY 2017	FY 2018
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**JOINT CONTINGENCY FUND**

Transfer-in 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
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Costs - 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>
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**ESTIMATED NET EFFECT ON THE  
JOINT CONTINGENCY FUND**

	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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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.

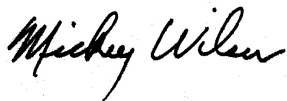
FISCAL DESCRIPTION (continued)

The Committee shall meet at least twice a year and shall provide public notice of such meetings thirty days in advance. A portion of the meeting shall be set aside for public testimony. The committee is authorized to hire an employee or enter into employment contracts, including an executive director to conduct an audit, special review, or investigation of the MO HealthNet program, including any contracts between MO HealthNet and a vendor.

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 Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Mental Health  
Department of Corrections  
Department of Social Services  
Missouri House of Representatives  
Missouri Office of Prosecution Services  
Office of State Courts Administrator  
Missouri Senate



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Director  
April 1, 2015

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April 1, 2015