

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0991-03
Bill No.: HCS for 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: May 12, 2015

Bill Summary: This proposal changes laws regarding health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
General Revenue	(Less than \$1,144,467)	(Less than \$1,235,545)	(Less than \$1,149,457)	(Less than \$1,186,926)
Total Estimated Net Effect on General Revenue	(Less than \$1,144,467)	(Less than \$1,235,545)	(Less than \$1,149,457)	(Less than \$1,186,926)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
Joint Contingency*	\$0	\$0	\$0	\$0
Professional Registration Funds	\$0 or (Unknown)	\$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)	\$0 or (Unknown)

* Transfer-in and expenses net to \$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 18 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
Federal	\$0	\$0	\$0	\$0
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

* Income and expenses exceed \$1.3 million annually and net to \$0 beginning in FY 2021.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2021)
General Revenue	9 or 10	9 or 10	9 or 10	9 or 10
Joint Contingency	2	2	2	2
Total Estimated Net Effect on FTE	11 or 12	11 or 12	11 or 12	11 or 12

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 2021)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§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;
- 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

ASSUMPTION (continued)

(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.

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 notes some provisions of this proposal are not fully implemented until FY 2021. Oversight extrapolated DHSS costs to FY 2021 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 **Department of Social Services (DSS), MO HealthNet Division (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

ASSUMPTION (continued)

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.

§192.667 - Infection Reporting

Officials from the **DSS-MHD** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Since these requirements would be effective August 28, 2016, any additional cost would begin to be reflected in 2016 or 2017 cost reports. MO HealthNet would use 2016 and 2017 cost reports to establish reimbursement for FY 2020 and FY 2021. Therefore, there would not be a fiscal impact to the MHD for FY 2016, FY 2017, and FY 2018, but starting FY 2020 there could be additional costs. Since the exact requirements for this proposal are not known at this time, MHD can only provide an estimate for these additional costs starting in FY 2020. Per the Bureau of Labor Statistics, the average salary of a Registered Nurse in Missouri in 2013 was \$58,040. MHD assumes this proposal will take 25% of a Registered Nurse's time on average per facility. Additionally, the average salary of a Pharmacist in Missouri in 2013 was \$114,000 (per salarybystate.org). MHD assumes this proposal will take 25% of a Pharmacist's time on average per facility. Then, assuming this will impact approximately 150 Missouri hospitals, the estimated cost of this proposed legislation could be up to \$6,451,500 per year. Furthermore, MHD is prorating this increase in costs to hospitals by the FY 2011 Statewide Mean Medicaid Utilization rate of 32.39%, which was calculated by MHD's Independent Disproportionate Share Hospital (DSH) auditors per DSH reporting requirements. Although this calculation is based on days, it is an estimated way to prorate this cost to Medicaid. Using this percentage, the estimated cost to Medicaid is \$2,089,641 ($\$6,451,500 \times 32.39\%$). Since the requirement is effective for hospitals August 28, 2016, only a portion of the cost would be in FY 20. 82 hospitals have a cost report year end between August 28 and December 31. The estimated cost for FY 20 is \$1,142,337 ($\$2,089,641 \times 82/150$). The estimated cost for FY 21 is \$2,089,641. The costs will be split approximately 37% GR/63% Federal.

Officials from **DHSS** state DHSS would have to work with the Office of Administration, Information Technology Services Division (ITSD) to enhance the current MHIRS (Missouri Hospital Infection Reporting System) website to collect any new surgery types and possibly new facility types (e.g., dialysis centers, nursing homes). This would include major revisions to the Annual Registration site. In addition, major modifications to the public and historical reports would be required. DHSS staff will need to develop statistical standards for any new surgery categories and possibly new facility types and/or incorporate standards developed by the Center for Medicare and Medicaid Services (CMS). Staff will also be needed to monitor the expanded list of surgery categories to ensure that data is being properly reported and that DHSS is getting valid, accurate data.

To perform Bureau of Health Care Analysis and Data Dissemination (BHCADD) activities in accordance with the above assumptions, BHCADD will need one Research Analyst III (\$40,380 annually).

ASSUMPTION (continued)

DHSS would also be asked to work with hospitals, Ambulatory Surgical Centers (ASCs) in developing the antimicrobial stewardship program. The DHSS would be tasked with writing an annual report for the state and regions describing incidence, type and distribution. This data would be available from the National HealthCare Safety Network (NHSN) through the Center for Disease Control's Antimicrobial Use and Resistance (AUR) Module.

To perform activities in accordance with the above assumptions, DHSS (either the Bureau of Communicable Disease Control and Prevention or another assigned Bureau) would need one additional Research Analyst III (\$40,380,annually).

DHSS provided the **Office of Administration (OA), Information Technology Services Division (ITSD)** costs. ITSD assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. A 12-month project time-line was assumed with the first six (6) months focused on analysis, design and development of the functionality necessary to begin collecting and reporting antibiotic use by January 1, 2016, with the remainder of the development and implementation being completed in FY 2017. The project increases the amount of data being collected, stored and reported. Therefore, costs have been included for additional disk space. ITSD assumes costs to the General Revenue Fund of \$129,772 for FY 2016; \$123,980 for FY 2017; and \$27,449 for FY 2018.

Oversight notes the increase in DSS-MHD's costs do not occur until FY 2021. Oversight extrapolated DHSS and OA-ITSD costs to FY 2021 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) so that Fully Implemented Costs present all agency costs, not just MHD's.

Officials from the **University of Missouri (UM) Health Care** have reviewed the proposed legislation and has determined that as written, it would create additional expenses in excess of \$100,000 annually for the proposed changes in sections 192.020 and 192.667. These expenses include the implementation and ongoing maintenance, support, and staffing to operate the software to manage these requirements. The UM does not expect the other proposed legislation to have a negative financial impact in excess of \$100,000 annually.

Oversight will present costs greater than \$100,000 annually to University Funds.

§208.952 - Joint Committee on MO HealthNet

In response to similar provisions (SB 38), officials from the **Missouri Senate (SEN)** stated the proposal will have no fiscal impact to the Missouri Senate. However, the language of the

ASSUMPTION (continued)

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.

In response to similar provisions (SB 38), 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 ($\$125,000 \text{ staff} + \$125,000 \text{ E\&E} + \$6,000 \text{ member expenses} = \$256,000/2 = \$128,000$).

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.

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

ASSUMPTION (continued)

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 **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.

§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 disabled 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 have an impact of \$5,580 to the General Revenue Fund for their

ASSUMPTION (continued)

organization in FY 2016.

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

§324.001 - Workforce Data Analysis

Officials from the **DHSS** state the proposed legislation currently duplicates an existing program. The Missouri Healthcare Workforce Registry and Exchange (MoHWoRx) is an information system developed by DHSS to help health professionals meet state registration requirements and to provide comprehensive and timely information on health care access statewide. MoHWoRx currently supports the Missouri Health Professionals Registry and the Bureau of Narcotics and Dangerous Drugs (BNDD) online registration. The Missouri Health Professionals Registry is a voluntary registration tool that provides the foundation for a comprehensive Missouri health care workforce information system and the Division of Professional Registration provides data to MoHWoRx to provide a more complete registry of health care professionals in Missouri. A data warehouse for MoHWoRx has been built to facilitate data quality assurance and analytics. Currently reports are being written to provide information on health care shortage areas and demographic, geographic and practice characteristics.

Section 324.001 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. As a result, Oversight will range DHSS costs from \$0 to the amount provided.

In response to similar legislation (HCS HB 112), 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.

ASSUMPTION (continued)

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).

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, a public institution of higher education, or a nonprofit entity...” (emphasis added). Therefore, the DIFP’s Professional Registration boards may or may not need additional resources to collect and analyze workforce data. As a result, Oversight will range DIFP’s various Professional Registration board costs from \$0 to unknown.

Bill as a Whole

Officials from the **Department of Higher Education**, the **Department of Mental Health**, the **Department of Corrections**, the **Joint Committee on Administrative Rules**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services**, the **Office of State Courts Administrator** and the **Oversight Division** each assume 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.

In response to various similar proposals, officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year’s legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
GENERAL REVENUE FUND				
<u>Costs - DHSS (\$192.380)</u>				
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)	(\$81,801)
PAC meeting expense	<u>(\$29,820)</u>	<u>(\$16,974)</u>	<u>(\$17,399)</u>	<u>(\$18,737)</u>
Total <u>Costs - DHSS</u>	<u>(\$543,925)</u>	<u>(\$620,306)</u>	<u>(\$627,871)</u>	<u>(\$651,526)</u>
FTE Change - DHSS	7 FTE	7 FTE	7 FTE	7 FTE
<u>Costs - DHSS (\$192.667)</u>				
Personal service	(\$67,300)	(\$81,568)	(\$82,383)	(\$84,880)
Fringe benefits	(\$34,999)	(\$42,419)	(\$42,843)	(\$44,142)
Equipment and expense	<u>(\$35,902)</u>	<u>(\$27,896)</u>	<u>(\$28,593)</u>	<u>(\$33,159)</u>
Total <u>Costs - DHSS</u>	<u>(\$138,201)</u>	<u>(\$151,883)</u>	<u>(\$153,819)</u>	<u>(\$162,181)</u>
FTE Change - DHSS	2 FTE	2 FTE	2 FTE	2 FTE
<u>Costs - OA-ITSD (\$192.667)</u>				
Development, implementation and storage costs	(\$129,772)	(\$123,980)	\$0	\$0
On-going maintenance and storage costs	\$0	\$0	<u>(\$27,449)</u>	<u>(\$29,560)</u>
Total <u>Costs - OA-ITSD</u>	<u>(\$129,772)</u>	<u>(\$123,980)</u>	<u>(\$27,449)</u>	<u>(\$29,560)</u>
<u>Costs - DSS-MHD</u>				
Increase in hospital reimbursements	\$0	\$0	\$0	(\$766,418)
<u>Costs - DHSS (\$324.001)</u>				
Personal service	\$0 or... (\$33,320)	\$0 or... (\$40,384)	\$0 or... (\$40,788)	\$0 or... (\$42,024)
Fringe benefits	(\$16,995)	(\$20,598)	(\$20,804)	(\$21,854)
Equipment and expense	<u>(\$17,254)</u>	<u>(\$13,394)</u>	<u>(\$13,726)</u>	<u>(\$14,781)</u>
Total <u>Cost - DHSS</u>	<u>\$0 or (\$67,569)</u>	<u>\$0 or (\$74,376)</u>	<u>\$0 or (\$75,318)</u>	<u>\$0 or (\$78,659)</u>
FTE Change - DHSS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

FISCAL IMPACT - State
Government

	FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
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**GENERAL REVENUE
 FUND (cont.)**

Transfer-out from General
 Revenue to Joint
 Contingency Fund
 (§208.952)

Transfer for expenses
 associated with the Joint
 Committee on MO
 HealthNet

	(Less than <u>\$265,000</u>)	(Less than <u>\$265,000</u>)	(Less than <u>\$265,000</u>)	(Less than <u>\$265,000</u>)
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**ESTIMATED NET
 EFFECT ON THE
 GENERAL REVENUE
 FUND**

	<u>(Less than \$1,144,467)</u>	<u>(Less than \$1,235,545)</u>	<u>(Less than \$1,149,457)</u>	<u>(Less than \$1,186,926)</u>
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Estimated Net FTE Change
 on the General Revenue
 Fund

	9 or 10 FTE	9 or 10 FTE	9 or 10 FTE	9 or 10 FTE
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**JOINT CONTINGENCY
 FUND**

Transfer-in from General
 Revenue Fund (§208.952)

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	Less than \$265,000
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FISCAL IMPACT - State
 Government

	FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
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**JOINT CONTINGENCY
 FUND (cont.)**

Costs - Joint Committee on
 MO HealthNet

Expenses related to
 monitoring and reviewing
 information related to the
 MO HealthNet program
 including 2 FTE
 (\$208.952)

	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>	<u>(Less than \$265,000)</u>
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FTE Change - Joint
 Committee

	2 FTE	2 FTE	2 FTE	2 FTE
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**ESTIMATED NET
 EFFECT ON THE
 JOINT CONTINGENCY
 FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Estimated Net FTE Effect
 on the Joint Contingency
 Fund

	2 FTE	2 FTE	2 FTE	2 FTE
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**PROFESSIONAL
 REGISTRATION
 FUNDS (various health-
 related)**

Costs - DIFP

Data collection costs

	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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**ESTIMATED NET
 EFFECT ON
 PROFESSIONAL
 REGISTRATION
 FUNDS**

	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
FEDERAL FUNDS				
<u>Income - DSS-MHD</u> (\$192.667)				
Increase in program reimbursements	\$0	\$0	\$0	\$1,323,223
<u>Costs - DSS-MHD</u> (\$192.667)				
Increase in hospital program costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$1,323,223)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 months)	FY 2017	FY 2018	Fully Implemented (FY 2021)
	<u>\$0</u>	<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. (§192.380)

This proposal could impact small business ambulatory surgical centers (ASCs) administrative costs as ASCs are required to develop an antimicrobial stewardship program. In addition, ASCs will have to meet new reporting requirements. (§192.667)

FISCAL DESCRIPTION

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, 2016, hospital license applications shall include the appropriate level of maternal care and neonatal care designations under the standards established in this proposal. (§192.380)

This proposal changes the laws regarding infection reporting. Currently, the Department of Health and Senior Services must develop public reports containing the risk-adjusted nosocomial infection incidence rate for Class I surgical site infections, ventilator-associated pneumonia, central line-related bloodstream infections, and other categories of infections that may be established by rule by the department. The proposal changes the infections that must be included in the report to: (1) Class I surgical site infections associated with caesarean sections and vaginal births, hip and knee replacements, and hysterectomies including abdominal, vaginal, and laparoscopic; (2) Ventilator-associated events; (3) Central line-related bloodstream infections; (4) All infections specified for reporting by hospitals, ambulatory surgical centers, and other health care facilities by the Centers for Medicare and Medicaid Services or its successor; and (5) Other categories of infections that may be established by rule by the department.

No later than January 15, 2016, the department must promulgate rules specifying the standards and procedures for each hospital and ambulatory surgical center to establish an antibiotic stewardship program for evaluating the judicious use of antibiotics, especially antibiotics that are the last line of defense against resistant infections. The program procedures must be reported publicly and results of the program must be monitored by hospital quality improvement departments. Results must also be reported quarterly to the department and the department must make the results available to the public on the department's website. In promulgating the rules, the department must: (1) Use methodologies and systems for data collection established by the federal Centers for Disease Control and Prevention National Healthcare Safety Network or its successor; (2) Consider the findings and recommendations of the Infection Control Advisory Panel within the department; and (3) Establish a time line for implementation, with antibiotic use reporting to begin by January 1, 2016, and reporting of antibiotic resistant infections to begin by January 1, 2017. (§192.667)

FISCAL DESCRIPTION (continued)

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 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. (§208.952)

This proposal authorizes the State Board of Nursing, Board of Pharmacy, Missouri Dental Board, or State Board of Registration for the Healing Arts within the Department of Insurance, Financial Institutions and Professional Registration to individually or collectively enter into a contractual agreement with the Department of Health and Senior Services, a public institution of higher education, or a nonprofit entity for the purpose of collecting and analyzing workforce data. Information may be obtained from each board's licensees, registrants, or permit holders for future workforce planning and to assess the accessibility and availability of qualified health care services and practitioners in Missouri.

The boards must work collaboratively with other state governmental entities to ensure coordination and avoid duplication of efforts.

The boards may expend appropriated funds necessary for operational expenses of the program and each board is authorized to accept grants to fund the collection or analysis authorized in these provisions. Any funds received under these provisions must be deposited in the respective board's fund.

Data collection must be controlled and approved by the applicable state board conducting or requesting the collection. The boards may release identifying data to the contractor to facilitate data analysis of the health care workforce including, but not limited to, geographic, demographic, and practice or professional characteristics of licensees. The state board must not request or be authorized to collect income or other financial earnings data.

Data collected under these provisions must be deemed the property of the state board requesting the data and must be maintained by the state board in accordance with Chapter 610, RSMo, the Open Meetings and Records Law, provided any information deemed closed or confidential must not be disclosed without consent of the applicable licensee or entity or as otherwise authorized by law.

FISCAL DESCRIPTION (continued)

The data must only be released in an aggregate form in a manner that cannot be used to identify a specific individual or entity. A contractor must maintain the confidentiality of data received or collected and must not use, disclose, or release any data without approval of the applicable state board. (§324.001)

This legislation is not federally mandated but may require additional capital improvements or rental space. In addition, provisions of the proposal may duplicate an existing program.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Mental Health
Department of Corrections
Department of Revenue
Department of Public Safety -
Missouri State Highway Patrol
Department of Social Services -
MO HealthNet Division
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
Missouri Office of Prosecution Services
Office of Administration -
Information Technology Services Division
Office of State Courts Administrator
Oversight Division
Missouri Senate
Office of the Secretary of State
University of Missouri

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