

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2347-05  
Bill No.: HCS for SS for SCS for SB 517  
Subject: Licenses - Professional; Health Care Professionals; Vital Statistics  
Type: Original  
Date: May 13, 2015

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	(Greater than \$164,593)	(Greater than \$100,000)	(Greater than \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Greater than \$164,593)</b>	<b>(Greater than \$100,000)</b>	<b>(Greater than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE 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>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

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

\* Income and expenses expected to exceed \$100,000 annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **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.

#### **§193.145 - Certifications on Death Certificates**

Officials from the **Department of Health and Senior Services (DHSS)** state section 193.145 would allow physician assistants, assistant physicians, or advanced practice registered nurses to certify to the cause and manner on a death certificate. It will require the Division of Community and Public Health (DCPH) to make 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 the forms and print a supply.

The DHSS provided the response for the **Office of Administration (OA), Information Technology Services Division (ITSD)**. ITSD states the proposed legislation would require programming changes to the web-based electronic death registration system to accommodate additional items on the Missouri Certificate of Death form.

ITSD states it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. As a result, it is estimated this proposal will require approximately 1,037 hours of IT contract consultants at \$75 per hour. FY 2016 costs to the General Revenue Fund are estimated to be \$77,760.

ASSUMPTION (continued)

§324.001 - Guidelines for the Regulation of Certain Occupations and Professions

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that it is unknown what professions may be affected by this legislation in the future. Therefore, the fiscal impact to the DIFP is unknown.

**Oversight** assumes this proposal establishes guidelines for the regulation of future professions. The fiscal impact for specific professions regulated will be reflected in the enabling legislation. Oversight assumes costs will be recovered from licensees through licensing fees and there will be no net impact to the DIFP.

§334.104 - Collaborative Practice Arrangements

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state section 334.104 adds physician assistants and assistant physicians to the collaborative practice language. MO HealthNet is in the process of adding these new provider types.

Section 334.104.3.(9) allows the collaborating physician to not be present at the health care practitioner's site when performing reviews. MO HealthNet assumes this will increase access, particularly in rural areas, and this will increase costs. However, there could also be a savings associated with diverted emergency room visits for MO HealthNet participants who have chronic illnesses, but now have increased access of Advanced Practice Registered Nurses (APRNs), physician assistants (PAs) and assistant physicians (APs).

MHD makes the following assumptions:

Assume that 40% of Permanent and Total Disability (PTD) population is in the rural area.

$$(40\% \times 152,665 = 61,066)$$

Assume 10% of that population would utilize an APRN, PA or AP.  $(10\% \times 61,066 = 6,107)$

Assume each patient would have 2 additional visits per year.  $(6,107 \times \$38.16 \times 2 = \$466,086)$

**Cost = \$466,086**

Assume 15% of population utilizing APRN, PA or AP would have a diverted E/R visit  $(6,107 \times 15\% = 916 \text{ patients})$ .

Cost of average E/R visit is \$501.78

**Savings = \$459,630**  $(916 \times \$501.78)$

**Net cost in first year: \$6,456**  $(\$466,086 - \$459,630)$  with a savings in year 2 and 3.

A 1.9% inflation factor for ER costs was used for FY 2017 and FY 2018.

FY 2016 (10 mos): Total Costs \$5,380 (GR \$1,973; Federal \$3,407)

FY 2017: Total Savings \$2,277 (GR \$835; Federal \$1,442)

FY 2018: Total Savings \$11,176 (GR \$4,099; Federal \$7,077)

ASSUMPTION (continued)

Section 334.104.3.(11) adds that if an APRN, physician assistant or assistant physician utilizes a collaborative practice agreement to diagnose or initiate treatment for an acutely or chronically ill or injured patient, the collaborating physician shall be available either in person or electronically for consultation. The collaborating physician, other physician designated in the collaborative practice arrangement or the patient's primary care physician shall review such patient charts and approve or make appropriate modifications to the plan of treatment.

Section 334.104.9. provides the length of time a APRN, physician assistant or assistant physician shall practice with the collaborating physician.

This section will not have a fiscal impact on MO HealthNet.

Officials from the **DSS, Division of Legal Services (DLS)** state section 334.104 adds physician assistants and assistant physicians to the collaborative practice language. MO HealthNet provider agreements may be affected relating to reimbursement for services rendered by physicians, registered professional nurses, physician assistants, or assistant physicians. This requires changes relating to these provider types. This bill will have no fiscal impact on DLS.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DSS (§§191.236 - 191.238)</u>			
Health information organization related costs	(Greater than \$83,333	(Greater than \$100,000)	(Greater than \$100,000)
<u>Costs - DHSS ( §§193.015 and 193.145)</u>			
Printing costs	(\$3,500)	\$0	\$0
<u>Costs - OA-ITSD ( §§193.015 and 193.145)</u>			
Contract IT costs	<u>(\$77,760)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(Greater than \$164,593)</u></b>	<b><u>(Greater than \$100,000)</u></b>	<b><u>(Greater than \$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>FEDERAL FUNDS</b>			
<u>Income - DSS (§§191.236 -191.238)</u>			
Income for health information organization expenditures	Greater than \$83,333	Greater than \$100,000	Greater than \$100,000
<u>Costs - DSS (§§191.236 -191.238)</u>			
Health information organization expenditures	(Greater than \$83,333)	(Greater than \$100,000)	(Greater than \$100,000)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</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

This proposal may result in a positive administrative impact on small business health care facilities if advanced practice registered nurses, assistant physicians and physician assistants take over some of the duties related to death certificates that normally have to be completed by physicians. (§193.145) In addition, these small business health care facilities may be able provide greater access to care because that care can be provided by APRNs, assistant physicians and physician assistants. (§334.104)

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

FISCAL DESCRIPTION (continued)

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.

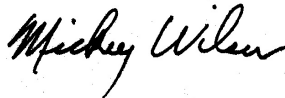
The Missouri Health Information Exchange Commission is created. The commission shall have the authority to develop process by which a health information organization may receive approval status, develop a process for the investigation of reported complaints and develop a process by which an approved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

This proposal adds advanced practice registered nurses, assistant physicians, and physician assistants to specified phases of the death certification process, including data provision, investigation into the causes of death, certification of death, and authorization for the final disposition of the decedent's body. (§193.145)

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  
Department of Insurance, Financial Institutions  
and Professional Registration  
Department of Social Services  
Office of Administration -  
Information Technology Services Division



Mickey Wilson, CPA  
Director  
May 13, 2015

Ross Strobe  
Assistant Director  
May 13, 2015