

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2366-02
Bill No.: HCS for SB 533
Subject: Children and Minors; Health, Public
Type: Original
Date: May 12, 2015

Bill Summary: This proposal changes the laws regarding the protection of children.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$543,925)	(\$620,306)	(\$627,871)
Total Estimated Net Effect on General Revenue	(\$543,925)	(\$620,306)	(\$627,871)

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 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

§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.

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 similar legislation (HB 735), officials from the **Governor's Office (GOV)** stated 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.

ASSUMPTION (continued)

§210.003 - Notification for Non-immunization

Officials from the **Department of Elementary and Secondary Education (DESE)** state there could be costs to all public, private and parochial day care centers, preschools and nursery schools to notify parents.

Oversight notes the provisions of the proposal provide that public, private and parochial day care centers, preschools and nursery schools are to notify parents upon request as to whether there are children enrolled or attending the facility for who an immunization exemption has been filed. Oversight assumes not all parents will request notification and that for those that do, the facilities will be able to provide the requests for a minimal cost.

Bill as a Whole

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

In response to similar legislation (HB 735), the **Joint Committee on Administrative Rules** assumed the proposal would not fiscally impact their agency.

In response to similar legislation, 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.

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 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND (\$192.380)			
<u>Costs - DHSS</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 - DHSS</u>	<u>(\$543,925)</u>	<u>(\$620,306)</u>	<u>(\$627,871)</u>
FTE Change - DHSS	7 FTE	7 FTE	7 FTE
 ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	 <u>(\$543,925)</u>	 <u>(\$620,306)</u>	 <u>(\$627,871)</u>
 Estimated Net FTE Change on the General Revenue Fund	 7 FTE	 7 FTE	 7 FTE
 <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. (\$192.380)

This proposal may have a fiscal impact on small business private and parochial day care enters, preschools and nursery schools if parents decide not to have their child(ren) attend because of other children attending for whom an immunization exemption has been provided. (\$210.003)

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

FISCAL DESCRIPTION (continued)

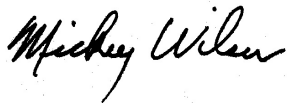
and maternal levels of birthing hospital care, focusing on facilities, coordination, management, risk identification and referrals, consultation services, reporting requirements, and monitoring and evaluation of performance. The council shall base its standards upon evidence and best practices as identified 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.

This legislation is not federally mandated, would not duplicate any other program, but would require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Office of the Governor
Joint Committee on Administrative Rules
Office of Secretary of State



Mickey Wilson, CPA
Director
May 12, 2015

Ross Strobe
Assistant Director
May 12, 2015