

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4769-02
Bill No.: HCS for SB 635
Subject: Health Care; Health and Senior Services Department; Boards, Commissions, Committees, and Councils; Physical Therapists; Insurance - Health
Type: Original
Date: April 21, 2016

Bill Summary: This proposal changes the laws regarding health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Insurance Dedicated	Up to \$5,000	\$0	\$0	\$0
Board of Registration for the Healing Arts				\$0 or (Greater than \$116,543)
Total Estimated Net Effect on <u>Other</u> State Funds	\$5,000	\$0	\$0	\$0 or (Greater than \$116,543)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Board of Registration for the Healing Arts Fund	0	0	0	0 or 2
Total Estimated Net Effect on FTE	0	0	0	0 or 2

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 2017	FY 2018	FY 2019	Fully Implemented
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** provide the following assumptions:

Sections 334.1200 to 334.1233 - Interstate Compact for Physical Therapists:

The compact will be effective when it is enacted into law in the tenth member state. Currently, no states have enacted the compact and only three states have legislation pending to enact the compact. It is not anticipated the compact would be enacted during FY 2017, FY 2018 or FY 2019 and as a result no fiscal impact to the DIFP during these fiscal years.

Once the compact is enacted the Division of Professional Registration would have the following fiscal impact: One FTE for a Processing Technician I, one FTE for legal counsel, \$6,000 annual fee to participate in the compact, and revenue of \$50 for each license fee with a compact privilege. It is anticipated 200 individuals will apply for a license with compact privilege.

Oversight notes that the provisions of this section will not be effective until 10 states become members of the compact and there is no way to determine when that might occur. However, at the present time, the DIFP states the salary for a Processing Technician I is \$23,880 annually and the salary for 1 FTE Legal Counsel is approximately \$55,000 annually plus fringe benefits.

If the compact were to become effective today, the fiscal impact would be approximately \$78,880 in personal service costs plus \$41,663 in fringe benefits (total \$120,543) plus \$6,000 annual participation fee less \$10,000 in license fee revenue for a net cost to Board of Registration for the Healing Arts Fund of approximately \$116,543 annually. Equipment and expense costs have not been included by are assumed to be minimal.

Section 376.1235 - Co-payment/coinsurance for Occupational Therapist:

Insurers would be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DHSS)** state section 191.1080 creates the Missouri Palliative Care and Quality of Life Interdisciplinary Council and directs the DHSS to coordinate meeting logistics. These activities will be accomplished through the use of current staff.

Funds are requested for the reimbursement of travel expenses for the Council members to attend Council meetings. DHSS assumes the meetings will be held biannually. The cost per Council member to attend these meetings is calculated at \$180 per day for lodging, meals, and mileage. The total cost for the Council meetings in the first year is calculated at \$1,980 (11 members x 1 meeting x \$180). Subsequent years include a 2.5 percent cost of living increase and two meetings per year.

Total Cost:

FY 17: \$1,980 General Revenue (GR)

FY 18: \$4,059 GR

FY 19: \$4,160 GR

Section 191.1085 creates the Palliative Care Consumer and Professional Information and Education Program within DHSS. DHSS is to publish information and resources, including links to external resources, about palliative care on its website. Some resources are already identified on the DHSS website. The addition of further resources, links, etc. on the website will be accomplished through the use of current staff.

Oversight assumes DHSS appropriations are sufficient to cover the Council members' travel costs within current funding levels. If costs significantly exceed estimates, the DHSS may seek additional resources through the appropriations process.

Officials from the **University of Missouri (UM)** stated the proposal should not create additional expenses in excess of \$100,000.

Oversight assumes the UM's statement indicates any costs that may be incurred are absorbable within current funding levels.

Officials from the **Office of the Governor (GOV)** state section 191.1080 establishes the Missouri Palliative Care and Quality of Life Interdisciplinary Council which includes seven gubernatorial appointees. There should be no added cost to the GOV as a result of this measure. However, if additional duties are placed on 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.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Department of Public Safety, Missouri State Highway Patrol, the Department of Social Services, MO HealthNet Division, Missouri Medicaid Audit Compliance Unit, and Division of Legal Services, the Missouri Consolidated Health Care Plan, the Missouri Department of Conservation, the Office of Administration, Information Technology Services Division, the Office of State Courts Administrator, the Joint Committee on Legislative Research, Oversight Division** and the **Missouri Senate** each assume the proposal would not fiscally impact their respective agencies.

In response to the previous version of this proposal, 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.

In response to similar legislation from the current session (HB 2328), officials from the **Attorney General's Office** assumed any potential costs arising from the proposal can be absorbed with existing resources.

Officials from the **Missouri Department of Transportation** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented
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**INSURANCE
DEDICATED FUND**

Income - DIFP
 (§376.1235)

Form filing fees	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET
EFFECT ON THE
INSURANCE
DEDICATED FUND**

	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**BOARD OF
REGISTRATION
FOR THE HEALING
ARTS FUND**

(§§334.1200 to
334.1233)

<u>Income - DIFP</u>				\$0 or ...
Licensing fees	\$0	\$0	\$0	\$10,000

<u>Costs - DIFP</u>				\$0 or ...
Personal service	\$0	\$0	\$0	(\$78,880)
Fringe benefits	\$0	\$0	\$0	(\$41,663)
Equipment and expense	\$0	\$0	\$0	(Unknown)
Compact participation fee	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$6,000)</u>
Total <u>Costs - DIFP</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$126,543)</u>
FTE Change - DIFP	\$0	\$0	\$0	0 or 2 FTE

**ESTIMATED NET
EFFECT ON THE
BOARD OF
REGISTRATION
FOR THE HEALING
ARTS FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Greater than \$116,543)</u>
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Estimated Net FTE Change on the Board of Registration for the Healing Arts Fund	0 FTE	0 FTE	0 FTE	0 or 2 FTE
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<u>FISCAL IMPACT -</u> <u>Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill creates the "Missouri Palliative Care and Quality of Life Interdisciplinary Council," to consult with and advise the Department of Health and Senior Services on matters related to the establishment, maintenance, operation, and outcomes evaluation of palliative care initiatives in the state, as well as submit an annual report to the General Assembly assessing the availability of palliative care in the state for patients at early stages of serious disease and analyzing barriers with greater access to palliative care.

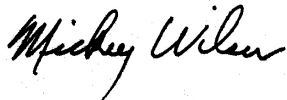
The bill also creates the "Palliative Care Consumer and Professional Information and Education Program," which must be designed to maximize the effectiveness of palliative care in the state by ensuring the public availability of comprehensive and accurate information about palliative care. The program is required to encourage hospitals to have a palliative care presence on their intranet or Internet website and to develop and distribute information about palliative care to patients. The provisions of the bill expire on August 28, 2022.

This proposal adds services rendered by licensed occupational therapists to services that cannot require a higher co-payment or coinsurance than is required for the services of a primary care physician office visit. This proposal also requires health carriers to clearly state the availability of occupational therapy services. This proposal requires the Oversight Division of the Joint Committee on Legislative Research to perform an actuarial analysis of the cost impact health carriers, insureds, and other payers for occupational therapy coverage beginning September 1, 2016, and submit a report by December 31, 2016.

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

Office of Attorney General
Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Public Safety -
Missouri State Highway Patrol
Department of Social Services -
MO HealthNet Division
Missouri Medicaid Audit Compliance Unit
Division of Legal Services
Office of the Governor
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Office of Administration -
Information Technology Services Division
Office of State Courts Administrator
Joint Committee on Legislative Research -
Oversight Division
Missouri Senate
Office of Secretary of State
University of Missouri



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