COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4769-03
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 635
Subject: Boards, Commissions, Committees, and Councils; Certificate of Need; Elderly; Health Care; Health Care Professionals; Health and Senior Services Department; Health, Public; Hospitals; Insurance - Health; Mental Health Department; Nurses; Nursing Homes and Long-term Care Facilities; Optometry; Pharmacy; Physical Therapy; Physicians; Public Assistance; Social Services Department
Type: Original
Date: June 13, 2016

Bill Summary: This proposal modifies provisions of law relating to health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	(Could exceed $284,105)	(Could exceed $311,803)	($739,085 to $6,313,507)	($593,991 to $4,304,464)
Total Estimated Net Effect on General Revenue	**(Could exceed $284,105)**	**(Could exceed $311,803)**	**($739,085 to $6,313,507)**	**($593,991 to $4,304,464)**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 30 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Insurance Dedicated	Up to $5,000	$0	$0	$0
University	$0 or (Less than $100,000)	$0 or (Less than $100,000)	$0 or (Less than $100,000)	$0 or (Less than $100,000)
Professional Registration (various)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
Board of Registration for the Healing Arts	$0	$0	$0	$0 or (Greater than $116,543)
Total Estimated Net Effect on <u>Other</u> State Funds	**Up to $5,000 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Could exceed $116,543)**

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Federal*	$0	$0	$0	$0
Total Estimated Net Effect on <u>All</u> Federal Funds	**$0**	**$0**	**$0**	**$0**

* Beginning in FY 19, income and expenses approximately $0 or $9.6 million and net to $0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	4 or 5	4 or 5	4 or 5	4 or 5
Board of Registration for the Healing Arts	0	0	0	0 or 2
Total Estimated Net Effect on FTE	**4 or 5**	**4 or 5**	**4 or 5**	**4 to 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 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Local Government	**$0**	**$0**	**($305,160 to Greater than $1,237,950)**	**(Unknown greater than $177,732)**

FISCAL ANALYSIS

ASSUMPTION

§96.192 - Investment of Certain Hospital Funds

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state the board of trustees for hospitals meeting certain requirements can invest up to twenty-five percent of the hospital's funds not required for immediate disbursement in obligations or for the operation of the hospital in any United States investment grade fixed income funds or any diversified stock funds. MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. If this provision increases revenue for the hospital and the hospital increases services billed for MO HealthNet participants, there could be additional costs, beginning with the 2018 cost reports. MO HealthNet would use 2018 cost reports to establish reimbursement for State Fiscal Year (SFY) 22. Therefore, there would not be a fiscal impact to the MHD for FY 2017, FY 2018, FY 2019, FY 2020 or FY 2021, but starting FY 2022, there could be an additional cost.

Oversight assumes it is speculative as to whether funds invested by hospitals would result in an increase in services billed for MO HealthNet services and is not presenting this unknown impact for fiscal note purposes.

Oversight also assumes only certain county hospitals may invest up to 25% of their funds in investment grade fixed income funds or diversified stock funds. This provision is permissive and would be up to the discretion of the board of trustees of the hospital to decide to invest funds. Therefore, Oversight assumes no direct fiscal impact.

§§167.638 and 174.335 - Vaccinations

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

In response to an earlier version of this proposal, officials from **State Technical College of Missouri** assumed the proposal would have no fiscal impact on their organization.

§167.950 Dyslexia Screening

Oversight notes this proposal would require the Department of Elementary and Secondary Education (DESE) to develop guidelines for the screening of students for dyslexia and related disorders. Oversight assumes that DESE can create the guidelines using their existing resources.

ASSUMPTION (continued)

Oversight notes this proposal requires each school district, during the 2018-2019 (FY 2019) school year, to screen each student for dyslexia and related disorders at an appropriate time established by DESE. Additionally, each school district must provide for reasonable support for any student determined to have dyslexia or a related disorder.

Oversight notes that according to the Yale Center for Dyslexia and Creativity, the Dyslexia Research Institute, and DyslexiaHelp at the University of Michigan approximately 20% of people have dyslexia or a related disorder. DESE notes there are 617,727 kids in grades K-8 and 268,696 kids in grades 9-12 or 886,423 in Missouri public schools. Therefore, as many as 177,285 (886,423 X 20%) could have dyslexia or a related disorder and would need support by the school districts.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the extent of any costs will depend upon the number of children requiring instruction and accommodation. DESE assumes school districts and charter schools will incur costs, however, the Department defers to the districts for those costs.

Oversight notes that unless a school district already has a Dyslexia Specialist on staff that could do the testing and treatment a school district would need to purchase the Dyslexia Screening Instrument for $123 and additional Teacher Rating Forms ($28.50 for 25 forms). Oversight, for fiscal note purposes, will show a one-time impact to schools for purchase of the Dyslexia Screening Instrument of $63,714 ($123 x 518 school districts). Oversight also notes due to the size of school districts, most would need to purchase more than one Dyslexia Screening Instrument. Oversight will show the impact as Unknown greater than two Dyslexia Screening Instruments per district $127,428 ($123 x 2 X 518).

Oversight notes that this proposal requires school districts to provide support to any student determined to have dyslexia or related disorders. Due to the numerous types of dyslexia and the severity at which a person may have it, it is impossible to determine at this time what kind of support school districts would be required to provide. Oversight will show the impact to schools as Unknown over $100,000 for the support.

Oversight notes the screening would determine which students would need additional testing to identify if they have one of the types of dyslexia and the appropriate treatment. Oversight assumes that the school districts would notify parents of the findings and parents would be responsible for any additional testing. Oversight will not show a fiscal impact for notifying parents as the school districts could chose which method of notification is best.

ASSUMPTION (continued)

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state Section 167.950.1 states that by December 31, 2017, Department of Elementary and Secondary Education (DESE) shall develop guidelines for appropriate screening for dyslexia and related disorders and the necessary classroom support for students with dyslexia and related disorders. For the 2018-2019 school year and subsequent years, each public school shall conduct dyslexia screenings for students. The school board of each district and the governing board of each charter school shall provide reasonable support for any student determined to have dyslexia or a related disorder. Subsection 2 states practicing teacher assistance programs shall include two hours of in-service training provided by each local school district for all practicing teachers in such district regarding dyslexia and related disorders. Subsection 3 defines terminology. Subsection 4 states the state board of education shall promulgate rules and regulations for each public school to screen students for dyslexia and related disorders. Subsection 5 states nothing in this section shall require MHD to expand services it provides.

In October of 2015, there were 414,016 children ages 5-18 receiving MO HealthNet benefits. Out of those children, there were 6,130 with an Individual Education Plan (IEP). MHD assumes that every child will need to be screened the first year. The total number of screenings the first year is 407,886 (414,016 – 6,130). MHD assumes each public school will bear the cost for each screening. Per the Michigan Dyslexia Institute, Inc., the prevalence of dyslexia is estimated to range from five to 17 percent among school children. Therefore, MHD estimates that 20,395 (407,886 * 5%) children will require testing. MO HealthNet reimburses up to four hours of annual psychological testing per child; DESE also estimates a full diagnostic assessment to last about 4 hours. While MO HealthNet authorizes reimbursement for psychologists ($60/hr.) and psychiatrists ($66/hr.) for this testing, MHD assumes psychologists would provide 90% of the testing with psychiatrists providing only 10% of the testing service. The one-time cost to test these children is estimated at $4,943,748 (20,395 * $60.60 * 4 hrs.). MHD acknowledges that the most frequently utilized intervention for a child with dyslexia would be educational supports which cannot be reimbursed by MO HealthNet. However, MHD estimates 6,798 children testing positive for dyslexia (20,395 * 1/3) will require additional supports such as speech therapy. MHD reimburses speech therapists at $40/hr. MHD estimates it will cost $1,520 for annual speech therapy ($40/hour for 1 hour per week for 38 weeks). The total annual cost for treatment is $10,333,467 (6,798 * $1,520). The total estimated cost for SFY 19 is $15,277,215 ($4,943,748 one-time diagnosing costs + $10,333,467 treatment costs). These costs will be split between General Revenue (GR) and Federal funds approximately 37% GR/63% Federal or $5.6 million GR and $9.6 million Federal funds.

It is assumed that for the following years that only children in kindergarten will need to be screened because the children in the other grades have already been screened. To calculate the number of children who will receive screenings the following years, an average was calculated

ASSUMPTION (continued)

per grade. The average number of children per grade is 31,848 (414,016 / 13). The same methodology was used to calculate the number of children with an IEP. The average number of children with an IEP is 472 (6,130 / 13). The total number of screenings is 31,376 (31,848 – 472) for FY 20. MHD estimates that 1,569 (31,376 * 5%) children will require testing. The cost to test these new children will be $380,326 (1,569 * $60.60 * 4 hrs.). The total cost for SFY 20 is $10,713,792 ($380,326 one-time diagnosing costs + $10,333,467 in annual treatment). These costs will be split between General Revenue (GR) and Federal funds approximately 37% GR/63% Federal or $3.9 million GR and $6.7 million Federal funds.

Oversight notes, based on discussions with DSS officials, that while children are only "screened" one time, annual treatment (i.e. speech therapy) is not limited to one time. DSS assumes that once it is determined that treatment is needed, the number of children receiving treatment for 28 weeks each year will remain the same (approximately 6,800 children annually).

DSS officials provide that the proposed legislation states that the rules are to be promulgated by the state board of education. How the rules are written will determine if the services will be included in the IEP and, therefore, the amount of federal match. If services are not written in the IEP, MHD could receive claims from community providers offering psychiatric testing, speech therapy, and/or behavioral health based on the results of the school district screening. For services written into the IEP, school districts are required to cover the state share while MHD can reimburse for the federal share. If services are not billed through the IEP and are provided outside of the school, MHD could be billed for the full cost (state and federal). Therefore, the GR impact has been stated as a range.

The total costs for the new cases are:

FY 17:	$0
FY 18:	$0
FY 19:	$9,659,477 - $15,277,215 (GR $0 - $5,617,737; Federal $0 to $9,659,477)
FY 20:	$6,774,117 - $10,713,792 (GR $0 - $3,939,676; Federal $0 to $6,774,117)

DYS: The Division of Youth Services (DYS) is a local education agency (LEA) that operates accredited schools at each of its sites. Enactment of this bill may create costs for the division, depending on rules promulgated by the state board of education. DYS largely deals with youth 13-17 years of age. It is not likely that promulgated rules and regulation would require screenings for dyslexia to occur this late in a young person's education. In the case that rules did require DYS to screen students, DYS would need screening kits for each of its educational groups.

ASSUMPTION (continued)

Screening Costs – provided by existing DYS education personnel
One Time Costs

- DYS operates 78 educational groups statewide
- 1 Dyslexia Screening Instrument (DSI) Complete Kit through Pearson PsychCorps = $123
- $123 x 78 groups = **$9,594** (initial cost)

On-Going Costs

- Additional DSI Teacher Rating Forms (package of 25) = $28.50/pkg
- $28.50 x 78 groups = **$2,223 annually** (starting in FY 18)

Because the rules and regulation surrounding the "appropriate times" for screening remain undefined the range of fiscal impact to DYS is **$0 to $9,594**.

DYS has special education resources in place to provide instruction and accommodation to youth in care with learning disabilities. The division currently provides service to 33 youth with reading-related learning disabilities. Categories include Reading Fluency, Reading Comprehension and Basic Reading Skills. DYS also provides several trainings for education staff annually. DYS may choose to focus training efforts on screening/testing/instruction and accommodation of dyslexia and related disorders. These related training costs can be absorbed in the existing budget.

Oversight notes that one Teacher Rating Form will need to be completed per student annually. Oversight also notes this proposal allows DESE to determine the year in which students will be screened and to start with only that grade or grades (such as 1st or 2nd graders). This would limit the number of students that would be screened, tested and provided treatment yearly. Therefore, the number of students to be screened yearly would be 68,186 (886,423/13). Oversight assumes it will cost $77,732 (68,186 students/25 forms in a packet x $28.50 per packet.)

Oversight notes that MHD assumed DESE would require in FY 19 that all students be screened for dyslexia. Since the proposal requires the screening "in the appropriate year", only one grade's students may be screened in FY 19. Oversight will range the screening impact from one year's worth of students ($77,732) to all thirteen grades (K-12) being screened in the first year at a cost of $1,010,522 (886,423 students/25 forms in a packet x $28.50 per packet). Oversight will present a single grade being screened in future years. Oversight notes the school districts would be responsible for the purchase of the Teacher Rating Forms.

Oversight, for FY 19, will range the diagnosis and treatment cost from one year's worth of students $1,175,171 to $15,277,215 as estimated by MHD for all students being screened in first year). Oversight will continue to range the diagnosis and treatment costs for all future fiscal years. Oversight notes the diagnosis and treatment costs are split between General Revenue (37%) and Federal Funds (63%).

ASSUMPTION (continued)

§170.310 - CPR Training

Oversight notes this proposal requires high school students to receive thirty minutes of instruction in cardiopulmonary resuscitation in order to graduate. This proposal starts with the 2017-2018 (FY 2018) school year. Currently school districts have the option of providing this instruction. Oversight can not determine how many schools may currently teach this class.

Oversight assumes school districts per this proposal, would include this instruction in their required health or physical education courses. Oversight assumes that since it is only thirty minutes of instruction, it can be added to the existing health and physical education classes. Therefore, Oversight assumes no fiscal impact from this proposal.

Officials from the **Department of Elementary and Secondary Education** (**DESE**) assumed there is no fiscal impact from this proposal. However, school districts may be impacted by the proposal. Therefore, DESE defers to the school districts for impact.

Officials from the **Department of Social Services (DSS)** states the provisions of section 170.310 will have no fiscal impact on their organization.

§174.335 - Meningococcal Vaccines

Officials from the **Department of Social Services (DSS)** state the provisions of 174.335 requires students of higher education residing in on-campus housing to receive meningococcal vaccines not more than five years prior to enrollment. The federal Advisory Committee on Immunization Practice (ACIP) recommends that adolescents and young adults aged 16-23 years may be vaccinated. The MO HealthNet Division (MHD) assumes this age range falls within the five years of the individual entering on-campus housing. Therefore, MHD estimates there is no fiscal impact for this provision.

§190.142 - Initial EMT Licensure Testing Requirements

Officials from the **Department of Health and Senior Services (DHSS)** state initial licensure testing for EMT-P (Emergency Medical Technician - Paramedic) shall be through either the national registry of EMTs or an exam developed and administered by DHSS. DHSS is currently using the national registry. It is assumed if this were no longer available, DHSS would be responsible for the development and administration of the licensure examination.

DHSS processes approximately 450 applications for the EMT-P annually. DHSS will require the following additional staff: Two EMS Inspectors II at an annual salary of $40,380 each to oversee and process the testing. The test will be available monthly at various locations throughout the state. Each test will take approximately 2 days to complete with an average class size of 40 individuals.

ASSUMPTION (continued)

In addition, DHSS will require one Senior Office Support Assistant at an annual salary of $25,824 annually, to assist in scheduling and record maintenance.

The testing will include a written and practical portion. The practical portion will include 12 diagnostic testing stations, which will require testing equipment at an estimated cost of $50,000. The written portion of the test can be obtained from an industry-approved text book at an estimated cost of $500. In addition, DHSS will require 50 laptops on which the test may be administered.

Oversight notes DHSS' costs for the first year of this portion of the proposal could exceed $400,000. Subsequent year's expenditures would exceed $190,000 annually. However, since the provisions of this proposal state EMT testing can be through the national registry, which is the current practice, or the DHSS can develop and administer the exam, Oversight assumes the DHSS would continue having EMTs test through the national registry and will not present costs for this section of the proposal.

Officials from the **DSS, MHD** assume the proposal would not fiscally impact their agency.

§§190.241.7 and 192.737 - Stroke Center Designations and Collection of Emergency Care Data

Officials from the **Department of Health and Senior Services (DHSS)** assume based on work with other data systems, the legislation would require two Research Analysts III ($40,380 each, annually). The duties of the analysts would be to work with the data collection system to evaluate and analyze the data and produce quarterly regional and state outcome data reports.

This will be complex data analysis work. The new staff would have to learn two separate data collection systems, extract data from both systems and then link the data to create a combined file. The combined file would then need to be analyzed in order to produce the required reports which may number as many as 28 annually. The analysts would be responsible for preparing, editing, and producing these reports. The reports must then be shared with the state advisory council on emergency medical services (EMS) and regional EMS committees to review for performance improvement and patient safety. Based on experience, DHSS envisions that the data analysts will have to be involved in some capacity with these review teams. The analysts will have to serve as technical experts assisting the facilities that submit data to the systems. Furthermore, once these systems are operational the unit will begin to receive ad hoc data requests based on these files.

ASSUMPTION (continued)

The brain and spinal cord injury system collects emergency, inpatient/outpatient and ambulatory surgery center data. DHSS assumes that any analysis of the trauma data for the brain and spinal cord injury program would be conducted by the two research analysts.

This proposed legislation will allow centers to enter into the Time Critical Diagnosis System (TCD) registry or into a nationally recognized registry or data bank (such as the American Heart Association's Get With the Guidelines). As a result of this legislation, DHSS anticipates that more centers will submit data. DHSS is not currently producing any regional or statewide reports.

There are currently 45 designated stroke centers with two pending applications. Since not all centers use the TCD Registry and the legislation would allow them to enter data into a nationally recognized registry or data bank, a big part of the analysts' duties would be to obtain, compile and interpret the data.

Officials from the **DSS, MHD** assume the proposal would not fiscally impact their agency.

In response to similar provisions in SB 1060, officials from the **University of Missouri (UM) Health Care** stated they have reviewed the proposed legislation and determined that as written it should no create additional expenses in excess of $100,000 annually.

Oversight assumes this is the materiality threshhold for the UM Health Care and that any costs incurred by UM can be absorbed within current resource levels.

§§191.1075, 191.1080, 191.1085 - Palliative Care

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.

ASSUMPTION (continued)

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 **DSS, MHD** assume the proposal would not fiscally impact their agency.

In response to similar provisions in HB 1994, officials from the **University of Missouri Health Care** have determined that the proposed legislation, as written, should not create additional expenses in excess of $100,000 annually.

Oversight assumes this is the materiality threshhold for the UM Health Care and that any costs incurred by UM can be absorbed within current resource levels.

In response to similar provisions in HB 1994, 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.

§§192.2490 and 192.2495 - Employee Disqualification List, Family Care Safety Registry and Background Checks

Officials from the **Department of Health and Senior Services (DHSS)** state section 192.2495.5(4) requires an applicant for a position with specific providers, in which they have contact with patients or residents, to disclose whether or not they have a background check

ASSUMPTION (continued)

finding on the Family Care Safety Registry (FCSR). The FCSR averages approximately 40,000 screenings per month. DHSS is unsure how many registrants this could affect, but estimate that this could create a five percent increase in screenings, or 2,000 additional screenings per month (40,000 X 0.05). On average, it takes approximately ten minutes to conduct a screening (2,000 screenings X 10 minutes/60 = 333 hours per month). On an annual basis, this would equal 3,996 hours/2,080 = 1.96 FTE (rounded to 2). This would create the need for the following additional staff:

Two Health Program Representatives II ($34,944 annually, each) to conduct screenings from registrants or applicants requesting background screenings.

The FCSR is required to notify applicants in writing of the results of their screening. It is assumed that the notification of 2,000 additional applicants each month who request screenings would be notified by mail, generating the following postage costs:

2,000 notifications per month X $0.44/notification = $880 per month
$880 X 12 months = $10,560 annual postage cost.

§§197.065 and 536.031 - Hospital construction and renovation

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** and **Division of Legal Services** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Any requirements resulting from these Department of Health and Senior Services (DHSS) regulations would be effective for hospitals beginning August 28, 2016 and any changes in hospital expenditures would begin to be reflected in 2016 or 2017 cost reports. MO HealthNet would use 2016 and 2017 cost reports to establish reimbursement for State Fiscal Year (SFY) 20 and SFY 21 respectively. Therefore, there would not be a fiscal impact to the MHD for SFY 17, SFY 18, or SFY 19, but starting in SFY 20 there could be a fiscal impact to Medicaid due to the requirements set forth by DHSS.

Oversight notes since it is unknown what DHSS' requirements could be, it is unknown whether there would be Medicaid costs beginning in SFY 20. Since these costs are speculative at this time, Oversight is not presenting these costs in the fiscal note.

In response to similar provisions in HCS for HB 2402, officials from the **University of Missouri Health Care** stated they have reviewed the proposed legislation and determined that as written, it should not create additional expenses in excess of $100,000 annually.

Oversight assumes this is the materiality threshhold for the UM Health Care and that any costs incurred by UM can be absorbed within current resource levels.

ASSUMPTION (continued)

In response to similar provisions in HCS for HB 2402, officials from the **Cass Regional Medical Center** assumed the proposal would not fiscally impact their agency.

In response to similar provisions in HCS for HB 2402, officials from the from the **Hermann Area District Hospital** stated they feel the proposal may have some savings because there will no longer be a duplication of codes so compliance would be simpler.

Oversight notes the Hermann Area District Hospital's response did not indicate whether the savings would be significant and, therefore, assumes the statement "some savings" indicates a minimal fiscal impact.

§197.315 - Certificate of Need

In response to similar provisions in HCS for HB 2441, officials from the **University of Missouri Health Care** stated they have reviewed the proposed legislation and determined that, as written, it will create additional expenses in excess of $100,000 annually.

Oversight notes the provisions at section 197.315.10 provides that the Certificate-of-Need (CON) "application fee is one thousand dollars, or one-tenth of one percent of the total cost of the proposed project, whichever is more...". In addition, based on available information, it appears the provisions of this proposal would only apply to the University of Missouri Health Care and the Women's and Children's Hospital. For fiscal note purposes only, Oversight is presenting the University of Missouri Health Care and Women's and Children's Hospital costs under "University Funds". This is not intended to indicate that the Health Care System's costs are actual costs to the University.

Oversight assumes the University Health Care System would not purchase additional equipment or build a medical facility on an annual basis in an amount exceeding $100,000,000 to incur costs greater than $100,000 annually in Certificate of Need fees ($100,000,000 project costs X 0.001 = $100,000). Therefore, Oversight will present the University Health Care System's proposed costs as $0 to less than $100,000 annually.

Officials from the **Department of Social Services, MO HealthNet Division** assume there would be no change to hospital reimbursements or Federal Reimbursement Allowance (FRA) tax collections and, therefore, the proposal would not fiscally impact their agency.

ASSUMPTION (continued)

§§324.001 - Collection and Analysis of Workforce Data

Officials from the **Department of Health and Senior Services (DHSS***)* state the proposed legislation 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.

The Division of Community and Public Health (DCPH) will assist with data collection, data quality, reporting and identification of application issues and enhancements. In addition, since the information is self-reported, it is critical that data collected is systematically and routinely reviewed to assure quality and accuracy of the data reported -- particularly in regards to practice locations (satellite sites) and hours of operation. With the proposed legislation, it is anticipated the number of professionals registered and their practice information will increase substantially.

DCPH will require additional FTE to assure technical support/assistance to the health care professionals as well as assure data quality and analysis. To perform these additional duties, DCPH will need one FTE Research Analyst III ($40,380 annually). Total costs to the General Revenue Fund are estimated to be $69,484 for FY 2017; $76,315 for FY 2018; and $77,192 for FY 2019.

Oversight assumes the DHSS does not need rental space for one FTE.

ASSUMPTION (continued)

In addition, **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..." (emphasis added). 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 by DHSS less rental space costs.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** stated this legislation would have an unknown cost to various Professional Registration funds until contracts are established for the purpose of data collection.

The boards would incur minimal costs to collect the data. If the board(s) entered 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.

In response to similar provisions in HB 1850, officials from the **University of Missouri** assumed the proposal would not fiscally impact their agency.

§§334.1200 - 334.1233 - Interstate Compact for Physical Therapists

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state 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.

ASSUMPTION (continued)

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.

§§335.360 - 335.415 - Nurse Licensure Compact

In response to similar provisions in SB 985, officials from the **Office of Attorney General** assumed any potential costs arising from this proposal can be absorbed with existing resources.

§376.388 - Procedures to be Used by Pharmacy Benefits Managers

Officials from the **Department of Social Services** state section 376.388 defines procedures to be used by pharmacy benefit managers with regard to maximum allowable cost lists. Since the language in this section (Chapter 376, RSMo) refers only to patients of private health insurance, this would not impact MO HealthNet or its contracted health plans as the pharmacy benefits are carved out of the Managed Care benefit package. MO HealthNet reimburses the pharmacy benefit for all enrollees through fee-for-service.

§376.1235 - Co-payments and Notice of Insurance Coverage for Occupational Therapy

Officials from the **Department of Insurance, Financial Institutions & Professional Registration (DIFP)** assume insurers would be required to submit amendments to their policies to comply with this 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 were 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 an increase in workload.

ASSUMPTION (continued)

Officials from the **Office of Administration (OA), Division of Budget and Planning (B&P)** state section 376.1235 specifies that health carriers or health benefit plans shall not impose a co-payment or coinsurance percentage charged to the insured for the services of a primary care physician for an office visit. Any changes needing to be made to policies by insurers in order to comply with these provisions would require an amendment to be filed and reviewed by Department of Insurance, Financial Institutions and Professional Registration (DIFP) along with a $50 filing fee. Additional revenues as a result of these filings would be deposited to the Insurance Dedicated Fund and will increase Total State Revenue (TSR) and impact the state's Article X, Section 18(e) calculation. B&P defers to DIFP for an estimate of additional one-time revenues resulting from these provisions.

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

§633.420 Legislative Task Force on Dyslexia

Oversight notes this portion of the proposal creates the Legislative Task Force on Dyslexia. The task force shall make recommendations on matters concerning dyslexia and education. The task force shall terminate on August 31, 2018. Oversight will show partial costs in FY 2019 as the Task Force wraps up its work.

Officials from the **Department of Elementary and Secondary Education** assume the task force expenses would be approximately $5,000. Cost estimate for the task force contract would be approximately $25,000.

Officials from the **Missouri House of Representatives (MHR)** state Department of Health and Senior Services will cover any expenses of the interdisciplinary council so there will be no fiscal impact to the MHR. The MHR can absorb the cost for members to serve on the Legislative Task Force on Dyslexia. It is unknown what the cost might be to hire "specialist services". The Joint Committee on Education's budget ($76,245) is insufficient to cover any additional expenses.

Bill as a Whole

Officials from the **Office of Administration (OA)**, **Administrative Hearing Commission** anticipate this legislation will not significantly alter its caseload. However, if similar bills pass resulting in more cases, there could be a fiscal impact.

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 Social Services (DSS), Division of Legal Services (DSL)** assume no fiscal impact from any of the provisions of this proposal. DLS defers to MHD for fiscal impact calculations.

Officials from the **Department of Higher Education**, the **Department of Mental Health**, the **Department of Revenue**, the **Department of Public Safety, Missouri State Highway Patrol**, 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 **Missouri Senate** each assume the proposal would not fiscally impact their respective agencies.

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.

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE FUND				
Income - DHSS (§197.315)				
Increase in Certificate-of-Need fees	$0 to Less than $100,000	$0 to Less than $100,000	$0 to Less than $100,000	$0 to Less than $100,000
Costs - DSS, DYS Services (§167.950)				
Purchase of screening instrument	$0	$0	($9,594)	$0
Additional teacher rating forms	$0	$0	($2,223)	($2,223)
Total Costs - DSS, DYS	$0	$0	($11,817)	($2,223)
Costs - DSS, MHD (§167.950)				
Testing and treatment of the kids on Medicaid	$0	$0	($432,134 to $5,617,737)	($303,052 to $3,939,676)
Costs - DHSS (§§190.241.7 and 192.737)				
Personal service	($67,300)	($81,568)	($82,383)	($83,207)
Fringe benefits	($35,206)	($42,468)	($42,691)	($43,118)
Equipment and expense	($27,536)	($18,343)	($18,803)	($19,273)
Total Costs - DHSS	($130,042)	($142,379)	($143,877)	($145,598)
FTE Change - DHSS	2 FTE	2 FTE	2 FTE	2 FTE

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE FUND (continued)				
Costs - DHSS (§192.2495)				
Personal service	($58,240)	($70,587)	($71,293)	($72,006)
Fringe benefits	($30,079)	($39,670)	($40,067)	($40,468)
Equipment and expense	($35,744)	($29,167)	($29,897)	($30,644)
Total Costs - DHSS	($124,063)	($139,424)	($141,257)	($143,118)
FTE Change	2 FTE	2 FTE	2 FTE	2FTE
Costs - DHSS (§324.001)	$0 or...	$0 or...	$0 or...	$0 or...
Personal service	($33,650)	($40,784)	($41,192)	($41,604)
Fringe benefits	($17,603)	($21,234)	($21,346)	($21,559)
Equipment and expense	($14,877)	($10,171)	($10,425)	($10,686)
Total Cost - DHSS	$0 or ($66,130)	$0 or ($72,189)	$0 or ($72,963)	$0 or ($73,849)
FTE Change - DHSS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
Cost - DESE - Task Force Expenses (§633.420)	($30,000)	($30,000)	($10,000)	$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	**(Could exceed $284,105)**	**(Could exceed $311,803)**	**($739,085 to $6,313,507)**	**($593,991 to $4,304,464)**
Estimated Net FTE Change on the General Revenue Fund	4 or 5 FTE	4 or 5 FTE	4 or 5 FTE	4 or 5 FTE

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
INSURANCE DEDICATED FUND				
Income - DIFP (§376.1235)				
Form filing fees	Up to $5,000	$0	$0	$0
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	**Up to $5,000**	**$0**	**$0**	**$0**
UNIVERSITY FUNDS				
Costs - State-Operated Hospitals (§197.315)				
Certificate-of-Need application fees	$0 to (Less than $100,000)	$0 to (Less than $100,000)	$0 to (Less than $100,000)	$0 to (Less than $100,000)
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	**$0 to (Less than $100,000)**	**$0 to (Less than $100,000)**	**$0 to (Less than $100,000)**	**$0 to (Less than $100,000)**

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
PROFESSIONAL REGISTRATION FUNDS (various)				
Costs - DIFP				
Data collection costs	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FUNDS (various)	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND (§§334.1200 to 334.1233)				
Income - DIFP				$0 or ...
Licensing fees	$0	$0	$0	$10,000
Costs - DIFP				$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	$0	$0	$0	($6,000)
Total Costs - DIFP	$0	$0	$0	($126,543)
FTE Change - DIFP	$0	$0	$0	0 or 2 FTE
ESTIMATED NET EFFECT ON THE BOARD OF REGISTRATION FOR THE HEALING ARTS FUND	**$0**	**$0**	**$0**	**$0 or (Greater than $116,543)**
Estimated Net FTE Change on the Board of Registration for the Healing Arts Fund	0 FTE	0 FTE	0 FTE	0 or 2 FTE

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
FEDERAL FUNDS				
Revenue - DSS, MHD (§167.950) Increase in program reimbursements	$0	$0	$743,037 to $9,659,477	$521,086 to $6,774,117
Costs - DSS, MHD (§167.950) Testing and treatment of the kids on Medicaid	$0	$0	($743,037 to $9,659,477)	($521,086 to $6,774,117)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0**	**$0**	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
LOCAL SCHOOL DISTRICT FUNDS				
Cost - School Districts (§167.950)				
Purchase of Screening Instrument	$0	$0	(Unknown greater than $127,428)	$0
Teacher Ratings Forms	$0	$0	($77,732 to $1,010,552)	($77,732)
Treatment	$0	$0	(Unknown greater than $100,000)	(Unknown greater than $100,000)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	**$0**	**$0**	**($305,160 to Greater than $1,237,950)**	**(Unknown greater than $177,732)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§167.950 Dyslexia Screening

This bill requires each public school to screen students for dyslexia and related disorders at appropriate times in accordance with rules established by the State Board of Education. The school board of each district and governing board of each charter school must provide for the support of any student determined to have dyslexia or a related disorder. "Related disorders" are defined as disorders similar to or related to dyslexia, such as developmental auditory imperception, dysphasia, specific developmental dysgraphia, and developmental spelling disability.

FISCAL DESCRIPTION (continued)

§§190.241.7 and 192.737 - Stroke Center Designations and Collection of Emergency Care Data

This act provides for an alternative stroke center designation for a hospital. The Department of Health and Senior Services shall designate a hospital, upon receipt of an application, as follows: (1) a level I stroke center if the hospital has been certified as a comprehensive stroke center by the Joint Commission or another certifying organization; (2) a level II stroke center if the hospital has been certified as primary stroke center by the Joint Commission or other certifying organization; or (3) a level III stroke center if the hospital has been certified as a acute stroke-ready hospital by the Joint Commission or other certifying organization. The Department shall not require compliance with any additional standards for establishing or renewing stroke designations and the designation shall continue as long as the hospital remains certified. The Department may remove a hospital's designation if the hospital so requests or if the Department determines the certification has been suspended or revoked.

Any hospital receiving this alternative designation shall submit annual proof of certification and other contact information, as well as the certification survey results and other specified documents.

Hospitals designated as STEMI or stroke centers shall submit data to the Department for use in the evaluation and improvement of hospital and emergency medical services' trauma, stroke, and STEMI care. The hospitals shall submit data to the Department as described in the act.

The Department shall also use patient abstract data collected from hospital infection reporting, the trauma registry, motor vehicle crash and outcome data, and other publicly available data to provide information and create reports for the purpose of data analysis and needs assessment of traumatic brain and spinal cord-injured persons.

§§192.2490 and 192.2495 - Employee Disqualification List, Family Care Safety Registry and Background Checks

These provisions require an applicant for a position with specific providers to disclose whether or not they have a background check finding on the Family Care Safety Registry.

§197.315 - Certificate of Need

Currently, facilities operated by the state are not required to obtain a certificate of need, appropriation of funds to such facilities by the General Assembly are deemed in compliance with certificate of need provisions, and such facilities are deemed to have received an appropriate

FISCAL DESCRIPTION (continued)

certificate of need without payment of any fee or charge. This bill requires hospitals operated by the state and licensed under Chapter 197 to obtain a certificate of need and comply with the other provisions of certificate of need except for Department of Mental Health state-operated psychiatric hospitals.

§324.001 - Collection and Analysis of Workforce Data

This proposal authorizes the State Board of Nursing, Board of Pharmacy, Missouri Dental Board, State Committee of Psychiatrists 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.

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.

FISCAL DESCRIPTION (continued)

§§ 334.1200 - 334.1233 - Interstate Compact for Physical Therapists

This bill establishes this state as a member of a compact to facilitate the interstate practice of physical therapy. The compact will become effective after it has been approved by 10 member states. The bill outlines specific requirements that a state must complete in order to participate in the compact and that a licensee must adhere to in order to exercise privileges thereunder. Any member state may withdraw from the compact at any time by enacting a statute repealing the compact. Such withdrawal shall take effect six months after the enactment of the repealing statute. In addition to the voluntary removal of a member state, the commission may make a determination that a member state has defaulted in the performance of its obligations or responsibilities under the compact. If the state fails to cure the default, a majority of the member states may vote to remove the state from the compact.

§376.1235 - Co-payments and Notice of Insurance Coverage for Occupational Therapy

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.

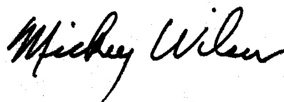
This legislation is not federally mandated, would partly duplicate another program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
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 Public Safety -
    Missouri State Highway Patrol

SOURCES OF INFORMATION (continued)

Department of Social Services -
    MO HealthNet Division
    Division of Legal Services
Office of the Governor
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Office of Prosecution Services
Missouri Department of Transportation
Office of Administration -
    Administrative Hearing Commission
Office of State Courts Administrator
Office of Secretary of State
State Technical College of Missouri
University of Missouri
Cass Regional Medical Center
Hermann Area District Hospital



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June 13, 2016

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