COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4862-02
Bill No.: Corrected Truly Agreed To and Finally Passed SB 579
Subject: Health Care; Health and Senior Services Department; Hospitals
Type: Original
Date: June 2, 2016

Bill Summary: This proposal modifies provisions relating to health care facility infection reporting.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2022)
General Revenue	($742,034)	($679,807)	($550,796)	($1,350,249)
Total Estimated Net Effect on General Revenue	**($742,034)**	**($679,807)**	**($550,796)**	**($1,350,249)**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2022)
Insurance Dedicated	Up to $5,000	$0	$0	$0
University Funds	($315,000)	($130,000)	($130,000)	(Less than $130,000)
Total Estimated Net Effect on Other State Funds	**(Up to $315,000)**	**($130,000)**	**($130,000)**	**(Less than $130,000)**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 20 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2022)
Federal*	$0	$0	$0	$0
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**	**$0**

*** Income and expenses starting in FY 2022 exceed $1.9 million annually and net to $0.**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2022)
General Revenue	3.5	3.5	3.5	3.5
Federal	1.5	1.5	1.5	1.5
Total Estimated Net Effect on FTE	**5**	**5**	**5**	**5**

☒ 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 2022)
Local Government	**(Unknown greater than $100,000)**	**(Unknown greater than $100,000)**	**(Unknown greater than $100,000)**	**(Unknown greater than $100,000)**

FISCAL ANALYSIS

ASSUMPTION

§§192.020 and 192.667 - Infection reporting

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Since each hospital has to establish an Antimicrobial Stewardship Program by no later than August 28, 2017, any additional cost would begin to be reflected in 2017 or 2018 cost reports. MO HealthNet would use 2017 and 2018 cost reports to establish reimbursement for State Fiscal Year (SFY) 2021 and SFY 2022, respectively. Therefore, there would not be a fiscal impact to the MHD for SFYs 2017 through 2020, but starting FY 2021 MHD estimates there could be additional costs with this proposal.

Per the Bureau of Labor Statistics, the average salary of a Registered Nurse in Missouri in 2014 was $58,040. MHD assumes this proposal will take 25% of a Registered Nurse's time. Additionally, the average salary of a Pharmacist in Missouri in 2013 was $114,000 (per salarybystate.org). MHD assumes this proposal will take 25% of a Pharmacist's time. Then, assuming this will impact approximately 150 Missouri hospitals, the estimated cost of this proposed legislation starting in SFY 2021could be up to $6,451,500 per year. Furthermore, to arrive at an impact to Medicaid, MHD is prorating this increase in costs to hospitals by the SFY 2012 Statewide Mean Medicaid Utilization rate of 32.898% which was calculated by MHD's Independent Disproportionate Share Hospital (DSH) auditors per DSH Reporting Requirements. Although this calculation is based on days, it is an estimated way to prorate this cost to Medicaid. Using this percentage, the estimated cost to Medicaid is $2,122,414 ($6,451,500 X 32.898%). Since the requirement is effective for hospitals August 28, 2017, only a portion of the cost would be in SFY 2021. 82 hospitals have a cost report year end between August 28 and December 31. The estimated cost for SFY 2021 is $1,160,253 ($2,112,414 X 82/150). The estimated cost for SFY 2022 is $2,122,414. This cost will be split approximately 37% GR/63% Federal.

Officials from the **Department of Health and Senior Services (DHSS)** provide the following assumptions:

DHSS would have to work with the Office of Administration, Information Technology Services Division (ITSD) to enhance the current MHIRS (Missouri Hospital Infection Reporting System) website to collect any new surgery types and possibly new facility types (e.g., dialysis centers, nursing homes). This could include major revisions to the Annual Registration site. In addition, major modifications to the public and historical reports could be necessary. DHSS staff will need to develop statistical standards for any new surgery categories and possibly new facility types

ASSUMPTION (continued)

and/or incorporate standards developed by the Center for Medicare and Medicaid Services (CMS). Staff will also be needed to monitor the expanded list of surgery categories to ensure that data is being properly reported and that DHSS is getting valid, accurate data.

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

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

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

Oversight assumes the DHSS does not need additional rental space for 2 FTE.

DHSS provided **Office of Administration (OA), Information Technology Services Division's (ITSD)** costs. ITSD assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. A 12-month project time-line was assumed with the first six (6) months focused on analysis, design and development of the functionality necessary to begin collecting and reporting antibiotic use by January 1, 2017, with the remainder of the development and implementation being completed in FY 2018. The project increases the amount of data being collected, stored and reported. Therefore, costs have been included for additional disk space. ITSD assumes costs to the General Revenue Fund of $129,770 for FY 2017; $123,978 for FY 2018; and $27,447 for FY 2019.

Oversight notes the increase in DSS, MHD's costs do not occur until FY 2022. Oversight extrapolated DHSS and OA, ITSD costs to FY 2022 using a 1% inflationary rate for salary related expenses and a 2.5% inflationary rate for all other costs (the same rates currently used in fiscal note calculations) so that Fully Implemented Costs present all agency costs, not just MHD's.

Officials from the **University of Missouri (UM) Health Care System** did not respond to **Oversight's** request for a statement of fiscal impact on this TAFP'd bill. However, in response to similar provisions in an earlier version of this proposal, UM officials stated they had reviewed the proposed legislation and has determined that, as written, it will create an initial expense of approximately $315,000 and an on-going annual expense of approximately $130,000.

ASSUMPTION (continued)

For fiscal note purposes only, **Oversight** is presenting the University of Missouri Health Care System costs under "University Funds". This is not intended to indicate that the Health Care System's costs are actual costs to the University.

In addition, beginning in FY 2022, **Oversight** assumes the University's Health Care System costs associated with meeting the requirements of this proposal will be reduced by some unknown amount as the hospital begins to receive increased reimbursements from MHD for the additional costs reported on their cost report. As noted earlier by MHD, hospital reimbursements are based on the fourth prior year cost report.

§§191.1145, 191.1146, 208.670 - 208.686, 334.108, and 335.175 - Telehealth

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** provide the following assumptions:

Section 208.670.5 adds the use of asynchronous store-and-forward technology to the practice of telehealth.

In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of asynchronous store-and-forward visits for new users resulting in 1,744 (17,432 * 10%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for new users of $25,463. MHD estimates that 5% of the telehealth services will be existing telehealth users who will use this new service resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,732. The total estimated cost to transmit the data from the patient site to the distant site is $38,195 ($25,463 + $12,732).

MHD estimates that 1,308 (1,744* 75%) store-and-forward visits will require additional care. MHD estimates that it will costs $67 for each additional care visit for a total cost of $87,636 (1,308 * $67).

The total cost for asynchronous store-and-forward in SFY 17 is $125,831 ($25,463 + $12,732 + $87,636). MHD assumes there will be only 10 months in SFY 17 at a cost of $104,859 ($125,831 * 10/12). A 3% inflation factor was used to calculate SFY 18 and beyond.

With existing users utilizing store-and-forward there would be a Non-Emergency Medical Transportation (NEMT) savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

ASSUMPTION (continued)

A State Plan Amendment (SPA) is required for the asynchronous store-and-forward services.

Section 208.671 will require MMIS costs to update the system. MHD estimates that it will cost $200,000 in system work and $75,000 in staff time to do the work for a total of $275,000. These costs will be split 50/50 between General Revenue (GR) and Federal Funds.

MHD estimates it will need 1.25 additional FTE at the Management Analysis Specialist II position for system work, integration, evaluation, and to establish guidelines.

Section 208.673 establishes the "Telehealth Services Advisory Committee."

MHD estimates it will need 1 additional FTE at the Program Development Specialist level to coordinate the new advisory committee, plan agendas, attend meetings, take minutes, oversee filling vacancies, etc.

Section 208.675 lists eligible health care providers.

13 CSR 70-3.190 describes MO HealthNet's (MHD) telehealth services and does not include Clinical Social Workers, Licensed Professional Counselors, Assistant Physicians, Physicians Assistants, and Optometrist as eligible health care providers. (**Oversight** notes these providers are not currently eligible MO HealthNet providers.)

Clinical Social Workers - In 2015 there were 17,432 telehealth visits. MHD estimates that 20% of the telehealth visits will be the amount of new Clinical Social Worker telehealth visits for new users resulting in 3,487 (17,432 * 20%) new visits. MHD estimates that the telehealth originating fee will be $14.60 per transmission for a cost for new users of $50,910. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $167,376 (3,487 * $48). The total cost for new users is $218,286 ($50,910 + $167,376). MHD estimates that 5% of the telehealth services will be existing Clinical Social Worker users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Clinical Social Workers in SFY 17 is $231,017 ($218,286 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $192,514 ($231,017 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

ASSUMPTION (continued)

With existing users utilizing Clinical Social Workers via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Licensed Professional Counselors - In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of new Licensed Professional Counselor telehealth visits for new users resulting in 1,744 (17,432 * 10%) new visits. MHD estimates that the telehealth originating fee will be $14.60 per transmission for a cost for new users of $25,462. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $83,712 (1,744 * $48). The total cost for new users is $109,174 ($25,462 + $83,712). MHD estimates that 5% of the telehealth services will be existing Licensed Professional Counselor users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Licensed Professional Counselors in SFY 17 is $121,905 ($109,174 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $101,588 ($121,905 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Licensed Professional Counselors via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Assistant Physicians - In 2015 there were 17,432 telehealth visits. MHD estimates that 5% of the telehealth visits will be the amount of new Assistant Physician telehealth visits for new users resulting in 872 (17,432 * 5%) new visits. MHD estimates the telehealth originating site fee will be $14.60 per transmission for a cost for new users of $12,731. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $41,856 (872 * $48). The total cost for new users is $54,587 ($12,731 + $41,856). MHD estimates that 5% of the telehealth services will be existing Assistant Physician users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Assistant Physicians in SFY 17 is $67,318 ($54,587 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $56,098 ($67,318 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

ASSUMPTION (continued)

With existing users utilizing Assistant Physicians via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Physicians Assistants - In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of new Physician Assistant telehealth visits for new users resulting in 1,744 (17,432 * 10%) new visits. MHD estimates that the telehealth originating site fee will be $14.60 per transmission for a cost for new users of $25,462. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $83,712 (1,744 * $48). The total cost for new users is $109,174 ($25,462 + $83,712). MHD estimates that 5% of the telehealth services will be existing Physician's Assistant users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Physicians Assistants in SFY 17 is $121,905 ($109,174 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $101,588 ($121,905 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Physicians Assistants via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Optometrists - In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of new Optometrists telehealth visits for new users resulting in 1,744 (17,432 * 10%) new visits. MHD estimates that the telehealth originating site fee will be $14.60 per transmission for a cost for new users of $25,462. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $83,712 (1,744 * $48). The total cost for new users is $109,174 ($25,462 + $83,712). MHD estimates that 5% of the telehealth services will be existing Optometrist users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

ASSUMPTION (continued)

The total estimated cost for Optometrists in SFY 17 is $121,905 ($109,174 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $101,588 ($121,905 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Optometrists via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Section 208.677 defines the term originating site and gives a list of sites that can be an originating site.

13 CSR 70-3.190 describes MO HealthNet's (MHD) telehealth services and does not include School, MHD participant's home, clinical designated area in a pharmacy, or child assessment centers as originating sites.

MHD assumes this legislation does not include all services provided at a school-based clinic, but rather only behavioral health provided under an IEP (Individual Education Plan). MHD further assumes school-based telehealth services under an IEP would likely increase the utilization of Behavioral Health counseling services. Behavioral Health counseling is currently considered the only allowable service through telehealth that can be billed by schools. MHD reimburses schools for the federal share of costs incurred. The current FY15 spend for Behavioral Health counseling is $368,000 with 9,751 annual visits. Assuming a 5% increase in number of visits to the school based originating site, this would add $4,504 in originating fees in FY17 (488 visits x $9.23 federal portion of originating site fees per visit as schools pay the state share). Since there will only be 10 months in FY 17, the cost will be $3,753 ($4,504 * 10/12). A 3% inflation factor was used to calculate FY 18 and beyond.

There is also a resulting savings to NEMT costs for providing this service in schools. Due to NEMT capitation rate methodologies, there is a two year lag to incorporate the lower NEMT utilization in to the rates. Initially, MHD would see increased costs in SFY 17 and SFY 18 and NEMT savings would begin to occur in SFY 19 and be fully implemented into the rates by SFY 20.

MHD assumes that the requirements for adding a clinical designated area in a pharmacy for telehealth services would be cost prohibitive to the pharmacy and will not have a fiscal impact on MHD.

ASSUMPTION (continued)

According to missourikidsfirst.org, Missouri Child Advocacy Centers serve around 7,000 children each year. Assuming 5% of these children will utilize telehealth, there will be 350 telehealth visits (7,000 * 5%). At a cost of $14.60 a visit, the total cost will be $5,110 (350 * $14.60) in FY 17. Since there will only be 10 months in FY 17, the cost will be $4,258 ($5,110 * 10/12). A 3% inflation factor was used to calculate FY 18 an beyond.

13 CSR 70-3.190 Telehealth Services requires the telehealth service to be performed on a "private, dedicated telecommunications line approved through the Missouri Telehealth Network (MTN). The telecommunications line must be secure and utilize a method of encryption adequate to protect the confidentiality and integrity of the Telehealth service information. The Missouri Telehealth Network must also approve the equipment that will be used in Telehealth service." It further states that both a distant and originating site shall use authentication and identification to ensure confidentiality. In addition, the CSR specifies that the originating site (patient location) must ensure immediate availability of clinical staff during a Telehealth encounter in the event a participant requires assistance.

Based on these requirements, MHD assumes in-home telehealth would be cost prohibitive to MHD participants and there would be no fiscal impact.

Section 208.686, subjection to appropriations, requires the department to establish a statewide program that permits reimbursement under the MHD program for home telemonitoring services. Continuation of funding for such a program is dependent upon a review of cost effectiveness.

MHD is currently running reports to see if telemonitoring is cost effective. Assuming that it is cost effective, there will be no impact to MHD. This bill would make telemonitoring a state plan service which would require a State Plan Amendment (SPA).

MHD estimates it will need 1 FTE at the Social Services Band 2 position for evaluation of the cost effectiveness of the service.

Section 334.108.3 states no physician or his/her delegate, on-call physician, or advanced practice registered nurse shall prescribe any drug, controlled substance, or other treatment to a patient based solely on an evaluation over the telephone, unless a previously established ongoing relationship exists.

Section 334.108.4 states no physician shall prescribe any drug, controlled substance, or other treatment to a patient based solely on an internet request or an internet questionnaire.

ASSUMPTION (continued)

The total costs for this bill are:

SFY17 (10 months): Total $1,163,313 (GR $492,145; Federal $671,168);
SFY18: Total $1,066,387 (GR $422,558; Federal $643,829);
SFY19: Total $ 973,717 (GR $388,745; Federal $584,972); and
SFY22: Total $3,127,414 (GR $1,181,514; Federal $1,945,900) fully implemented.

Oversight assumes MHD would not hire 0.25 FTE and that the duties of that part-time FTE would be absorbed by existing personnel. In addition, Oversight assumes MHD would not need rental space for a total of 3 FTE.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume that the change in the definition of telehealth will generate policy amendments. Policy amendments must be submitted to the DIFP 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 DIFP will need to request additional staff to handle the increase in workload.

Officials from the **Office of the Governor (GOV)** state section 208.673 establishes the Telehealth Services Advisory Committee which is comprised of nine new 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 TAFP legislation, there may be the need for additional staff resources in future years.

Bill as a Whole

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

ASSUMPTION (continued)

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.

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 Elementary and Secondary Education** and the **Department of Mental Health** assume the proposal would not fiscally impact their agency.

Officials from the following **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Medical Center, Putnam County Memorial Hospital and Washington County Memorial Hospital did not respond to **Oversight's** request for a statement of fiscal impact.

Oversight notes that there are 30 hospitals in the state of Missouri that are owned by local political subdivisions. This legislation will impact those hospitals. For fiscal note purposes, **Oversight** assumes an unknown fiscal impact greater than $100,000 annually for the local political subdivisions that operate these hospitals. Although these hospitals will begin to receive increased reimbursements beginning in FY 2022, **Oversight** assumes the costs will still be greater than $100,000 annually.

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2022)
GENERAL REVENUE FUND				
Costs - DHSS (§192.667)				
Personal service	($67,300)	($81,568)	($82,384)	($84,880)
Fringe benefits	($35,206)	($42,468)	($42,691)	($43,373)
Equipment and expense	($29,753)	($20,342)	($20,851)	($22,454)
Total Costs - DHSS	($132,259)	($144,378)	($145,926)	($150,707)
FTE Change - DHSS	2.0 FTE	2.0 FTE	2.0 FTE	2.0 FTE
Costs - OA-ITSD/DHSS (§192.667)				
Development, implementation and storage costs	($129,770)	($123,978)	$0	$0
On-going maintenance and storage costs	$0	$0	($27,447)	($29,557)
Total Costs - OA-ITSD/DHSS	($129,770)	($123,978)	($27,447)	($29,557)
Costs - DSS (§192.667)				
Increase in hospital reimbursements	$0	$0	$0	($780,454)

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2022)
GENERAL REVENUE FUND (continued)				
Costs - DSS (§§208.671 - 208.686)				
Personal service	($60,342)	($73,134)	($73,865)	($76,103)
Fringe benefits	($29,100)	($35,118)	($35,318)	($36,388)
Equipment and expense	($9,450)	($2,094)	($2,146)	($2,311)
MMIS update	($137,500)	$0	$0	$0
Program distributions	($243,613)	($301,105)	($266,094)	($274,729)
Total Costs - DSS	($480,005)	($411,451)	($377,423)	($389,531)
FTE Change - DSS	1.5 FTE	1.5 FTE	1.5 FTE	1.5 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	**($742,034)**	**($679,807)**	**($550,796)**	**($1,350,249)**
Estimated Net FTE Change on the General Revenue Fund	3.5 FTE	3.5 FTE	3.5 FTE	3.5 FTE
INSURANCE DEDICATED FUND				
Income - DIFP (§191.1145)				
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**

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2022)
UNIVERSITY FUNDS				
Costs - UM Health Care System (§192.667)				
Increase in hospital infection reporting costs	($315,000)	($130,000)	($130,000)	(Less than $130,000)
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	**($315,000)**	**($130,000)**	**($130,000)**	**(Less than $130,000)**
FEDERAL FUNDS				
Income - DSS (§192.667)				
Increase in program reimbursements	$0	$0	$0	$1,341,960
Income - DSS (§§208.671 - 208.686)				
Increase in program reimbursements	$659,027	$632,724	$573,652	$592,413
Costs - DSS (§192.667)				
Increase in hospital reimbursements	$0	$0	$0	($1,341,960)

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2022)
FEDERAL FUNDS (continued)				
Costs - DSS (§§208.671 - 208.686)				
Personal service	($60,342)	($73,134)	($73,865)	($76,103)
Fringe benefits	($29,100)	($35,118)	($35,318)	($36,388)
Equipment and expense	($9,450)	($2,094)	($2,146)	($2,311)
MMIS update	($137,500)	$0	$0	$0
Program disbursements	($422,635)	($522,378)	($462,323)	($477,611)
Total Costs - DSS	($659,027)	($632,724)	($573,652)	($592,413)
FTE Change - DSS	1.5 FTE	1.5 FTE	1.5 FTE	1.5 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0**	**$0**	**$0**	**$0**
Estimated Net FTE Change for Federal Funds	1.5 FTE	1.5 FTE	1.5 FTE	1.5 FTE

FISCAL IMPACT - Local Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2022)
LOCAL GOVERNMENTS - HOSPITALS				
Income - Hospitals (§192.667)				
Increase in reimbursements	$0	$0	$0	Unknown
Costs - Hospitals (§192.667)				
Increase in hospital infection reporting costs	(Unknown greater than $100,000)	(Unknown greater than $100,000)	(Unknown greater than $100,000)	(Unknown greater than $100,000)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - HOSPITALS	**(Unknown greater than $100,000)**	**(Unknown greater than $100,000)**	**(Unknown greater than $100,000)**	**(Unknown greater than $100,000)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act requires the Department of Health and Senior Services to include carbapenem-resistant enterobacteriaceae (CRE) in its list of communicable or infectious diseases which must be reported to the Department.

Under current law, the Department is required to disseminate reports to the public based on data compiled showing infection incidence rates for certain infections for hospitals and ambulatory surgical centers. This act adds other infections to be reported, including: hospital and ambulatory surgical center procedure infections that meet certain requirements, central line-related bloodstream infections, health care-associated infections specified by the Centers for Medicare and Medicaid Services (CMS), and other categories of infections established by the Department through rule. The Department shall make such reports available to the public for at least 2 years.

FISCAL DESCRIPTION (continued)

This act requires the Infection Control Advisory Panel to make recommendations to the Department regarding CMS' reporting requirements by January 1, 2017. The panel recommendations shall address which hospitals shall be required, as a condition of licensure, to use specified national networks for data collection, risk analysis and adjustment, or public reporting of infection data. After considering the panel's recommendations, the Department shall implement guidelines from the Centers for Disease Control and Prevention's National Healthcare Safety Network, or its successor. As a condition of licensure, those hospitals that meet the minimum public reporting requirements shall participate in the National Healthcare Safety Network program. Those hospitals shall permit the program to disclose facility-specific data. Those facilities not participating in the program shall submit facility-specific data to the Department as a condition of licensure.

This act also provides that no later than August 28, 2017, each hospital and ambulatory surgical center, excluding mental health facilities, shall establish an antibiotic stewardship program for evaluating the judicious use of antibiotics, especially antibiotics that are the last line of defense against resistant infections. The stewardship program procedures shall be made available to the Department upon inspection. Hospitals shall meet specified national standards for reporting antimicrobial usage or resistance and shall authorize the National HealthCare Safety Network, or its successor, to disclose to the Department facility-specific reported data. Such data shall not be disclosed to the public except under specific circumstances. Beginning January 1, 2018, and every year thereafter, the Department shall report the General Assembly on the incidence, type, and distribution of antimicrobial-resistant infections in the state.

This act also defines "telehealth" or "telemedicine" as the delivery of health care services by means of information and communication technologies which facilitate the assessment, diagnosis, consultation, treatment, education, care management, and self-management of a patient's health care while such patient is at the originating site and the health care provider is at the distant site. Telehealth shall also include the use of asynchronous store-and-forward technology. Any licensed health care provider shall be authorized to provide telehealth services if such services are within the scope of practice for which the health care provider is licensed and if such services are provided under the same standard of care as services provided in person. Additionally, no originating site shall be required to maintain immediate availability of on-site clinical staff during the telehealth service, unless such is necessary to meet the standard of care for the treatment of the patient's medical condition when the treating health care provider has not previously seen the patient in person in a clinical setting, is not located at the originating site, and is not providing coverage for a health care provider with an established relationship with the patient.

FISCAL DESCRIPTION (continued)

Additionally, physicians practicing telemedicine shall ensure that a properly established physician-patient relationship, as described in this act, exists with the person receiving telemedicine services. No health care provider shall prescribe any drug, controlled substance, or other treatment to a patient based solely on a telephone evaluation. However, physicians, or their delegates, on-call physicians, advanced practice registered nurses, physician assistants, or assistant physicians in a supervision agreement may prescribe any drug, controlled substance, or other treatment, within his or her scope of practice, to a patient based solely on an evaluation over the telephone if a previously-established and ongoing valid physician-patient relationship exists. No health care provider shall prescribe any drug, controlled substance, or other treatment based solely on an Internet request or an Internet questionnaire.

This act specifies the licensed individuals who shall be considered eligible health care providers for the provision of telehealth services for MO HealthNet participants. Additionally, this act specifies the originating sites where a MO HealthNet participant may receive telehealth services.

This act addresses the use of asynchronous store-and-forward technology in the provision of telehealth services for MO HealthNet participants. "Asynchronous store-and-forward" is defined in the act as the transfer of a patient's clinically important digital samples, such as still images, videos, audio, and text files, and relevant data from an originating site through the use of a camera or similar recording device that stores digital samples that are forwarded via telecommunication to a distant site for consultation by a consulting provider without requiring the simultaneous presence of the patient and the patient's treating provider. The Department of Social Services, in consultation with the Departments of Mental Health and Health and Senior Services, shall promulgate rules governing the use of asynchronous store-and-forward technology in the practice of telehealth in MO HealthNet. The act also specifies reimbursement for asynchronous store-and-forward services for the treating provider and the consulting provider.

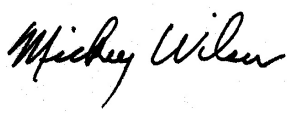
This act establishes the "Telehealth Services Advisory Committee" to advise the Department of Social Services and to propose rules relating to telehealth services through asynchronous store-and-forward technology. The act specifies the committee members, appointments, and other terms.

This act establishes a statewide home telemonitoring program for the MO HealthNet program. Home telemonitoring services are health care services that require scheduled remote monitoring of data related to a patient's health. The act specifies the individuals for whom home telemonitoring services may be made available. If the Department of Social Services determines that home telemonitoring is not cost effective, the Department may discontinue the program and stop providing reimbursement through MO HealthNet for such services.

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 Elementary and Secondary Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Mental Health
Department of Social Services -
MO HealthNet Division
Office of the Governor
Joint Committee on Administrative Rules
Office of Secretary of State
University of Missouri



Mickey Wilson, CPA
Director
June 2, 2016

Ross Strope
Assistant Director
June 2, 2016