

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5057-01
Bill No.: SB 636
Subject: Boards, Commissions, Committees, and Councils; Health Care
Type: Original
Date: February 4, 2016

Bill Summary: This proposal modifies provisions relating to health information organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$95,499)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$95,499)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health (DMH)** state section 191.237 would require all approved health information organizations (HIOs) exchange standards-based clinical summaries for patients and all clinical and claims data from any agency within the state with all approved HIOs within the state. This will require the Office of Administration, Information Technology Services Division (ITSD)/DMH to make modifications to interface DMH's Customer Information Management Outcomes and Reporting (CIMOR) system, Claims Builder, and Inpatient Claims Management (ICM) applications to a new system supported by another agency.

ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for IT consultants is \$75 per hour. It is estimated the updates to CIMOR, Claim Builder and ICM will each require 424.44 consultant hours (1,273.32 total) to update. The estimated impact to the General Revenue (GR) Fund in FY 2017 is \$95,499 (1,273.32 hours X \$75).

Officials from the **Missouri House of Representatives (MHR)** assume the House can absorb any expenses of House members serving on the commission or that the commission can cover the same with application fee revenues.

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 **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.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Revenue**, the **Department of Social Services**, **MO HealthNet Division** and **Division of Legal Services**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Office of Administration**, **Division of Purchasing and Materials Management**, the **Office of State Courts Administrator** and the **Missouri Senate** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety**, **Missouri State Highway Patrol** defer to the Missouri Department of Transportation (MoDOT), Employee Benefits Section for response on behalf of the Highway Patrol. Please see MoDOT's fiscal note response for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Costs - DMH (\$191.237)</u>			
Computer system modification costs	<u>(\$95,499)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$95,499)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

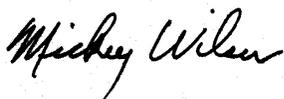
FISCAL DESCRIPTION

The bill requires all approved health information organizations to exchange standards-based clinical summaries for patients and all clinical and claims data from any agency within the state with all other approved health information organizations within the state. Failure to exchange such information must result in the suspension or revocation of approval status by the Missouri Health Information Exchange Commission and the immediate termination of any contracts, grants, and any other forms of state funding. The bill prohibits the state from conveying state designated entity status to any health information organization and requires the state to recognize all approved health information organizations as being equally eligible for any financial support or other assistance from the state.

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

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Mental Health
Department of Revenue
Department of Public Safety -
Missouri State Highway Patrol
Department of Social Services
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri House of Representatives
Missouri Department of Transportation
Office of Administration -
Division of Purchasing and Materials Management
Office of State Courts Administrator
Missouri Senate
Office of Secretary of State



L.R. No. 5057-01
Bill No. SB 636
Page 6 of 6
February 4, 2016

Mickey Wilson, CPA
Director
February 4, 2016

Ross Strobe
Assistant Director
February 4, 2016