

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6448-02
Bill No.: SB 1133
Subject: Counties; Political Subdivisions; Cities, Towns and Villages; Mental Health; Psychologists; Counseling; Social Workers; Professional Registration and Licensing
Type: Original
Date: March 14, 2016

Bill Summary: This proposal prohibits discrimination between certain types of mental health professionals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Could exceed \$3,071,449)	(Could exceed \$3,792,625)	(Could exceed \$3,902,611)
Total Estimated Net Effect on General Revenue	(Could exceed \$3,071,449)	(Could exceed \$3,792,625)	(Could exceed \$3,902,611)

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 5 pages.

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

* Income and expenses could exceed \$6 million annually, net to \$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

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to similar language in HB 1265/LR# 5041.01 (2014), officials at the **Department of Social Services** stated that currently, this section allows reimbursement for the provision of psychology and counseling services to children by psychologists, provisionally licensed psychologists, licensed or provisionally licensed professional counselors, licensed or provisionally licensed clinical social workers, licensed psychiatrists and psychiatric clinical nurse specialists.

Reimbursement is allowed for adults receiving psychology and counseling services provided by a licensed psychiatrist, licensed psychiatric clinical nurse specialist and licensed psychologist as well as licensed or provisionally licensed clinical social workers who are members of Federally Qualified Health Care centers or Rural Health Centers. However, reimbursement is not allowed for these services provided to adults by a licensed or provisionally licensed professional counselor (LPC).

In order to estimate the possible expenditure for allowing reimbursement to LPCs for services provided to adults, a proxy was found by reviewing the expenditures for services provided to children and adults by psychologists. The expenditures for adults were about 63.97% of the expenditure for children. Therefore, the same percentage was applied to expenditures for LPCs for children to estimate the possible expenditure for adults. The amount expended in FY13 for LPCs for children was \$14,744,573. Therefore, the annual amount estimated for adults in 2013 is \$9,432,103 ($\$14,744,573 \times 63.97\% = \$9,432,103$). A 2.9% medical inflation was applied for FY14 - FY17, with the cost for FY15 being only 10 months.

FY 15:	\$8,322,581 total (\$3,071,449 GR, \$5,251,132 Federal)
FY 16:	\$10,276,724 total (\$3,792,625 GR, \$6,484,099 Federal)
FY 17:	\$10,574,749 total (\$3,902,611 GR, \$6,672,138 Federal)

ASSUMPTION (continued)

Oversight assumes there would be some redistribution of services from recipients moving between MO HealthNet mental health providers. In the 2014 assumptions for HB 1265, Oversight assumed MHD's cost estimates to be the maximum potential costs for the proposal. However, with the passage of time, Oversight assumes costs could exceed MHD's 2014 cost estimates and will present costs as "could exceed" the numbers provided by MHD for HB 1265.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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GENERAL REVENUE FUNDS

<u>Costs</u> - Department of Social Services - reimbursement to LPCs for services provided to adults	<u>Could exceed</u> <u>\$3,071,449</u>	<u>Could exceed</u> <u>\$3,792,625</u>	<u>Could exceed</u> <u>\$3,902,611</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS	<u>Could exceed</u> <u>\$3,071,449</u>	<u>Could exceed</u> <u>\$3,792,625</u>	<u>Could exceed</u> <u>\$3,902,611</u>
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FEDERAL FUNDS

<u>Income</u> - DSS - MHD § 337.503 - Program reimbursements	Could exceed \$5,251,132	Could exceed \$6,484,099	Could exceed \$6,672,138
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<u>Costs</u> - Department of Social Services - reimbursement to LPCs for services provided to adults	<u>Could exceed</u> <u>\$5,251,132</u>	<u>Could exceed</u> <u>\$6,484,099</u>	<u>Could exceed</u> <u>\$6,672,138</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small business licensed professional counselors could be impacted as a result of this proposal.

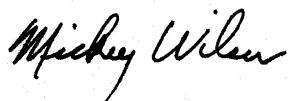
FISCAL DESCRIPTION

This act provides that a political subdivision shall not discriminate between licensed professional counselors and other types of licensed mental health professionals in its regulations or when requiring or recommending services that legally may be performed by a licensed professional counselor.

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 Social Services -
MO HealthNet Division



Mickey Wilson, CPA
Director
March 14, 2016

Ross Strope
Assistant Director
March 14, 2016