

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2051-01  
Bill No.: SB 456  
Subject: Children and Minors; Disabilities; Health Care; Insurance, Health; Mental Health; Physicians; Psychologists  
Type: Original  
Date: March 23, 2017

---

Bill Summary: This proposal enacts provisions relating to health care for individuals with physical, cognitive, emotional, mental, or developmental disabilities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(Unknown greater than \$1,000,000)	(Unknown greater than \$1,000,000)	(Unknown greater than \$1,000,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown greater than \$1,000,000)</b>	<b>(Unknown greater than \$1,000,000)</b>	<b>(Unknown greater than \$1,000,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Insurance Dedicated	Up to \$19,850	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to \$19,850</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** state cognitive services and services for individuals with developmental disabilities as described in the proposal are currently being provided by the Department of Mental Health (DMH), Division of Developmental Disabilities (DD) via the Division's five federal waiver programs: Partnership for Hope, Community Support, Missouri Children's Developmental Disabilities (Lopez), Autism, and Comprehensive waivers. Additionally, the Division of DD receives appropriations specifically to contract with institutions specializing in the treatment of autism spectrum disorders. At the beginning of fiscal year 2017, ten autism projects were funded around the state.

This proposal would appear to create duplication of a number of services available in these waivers. However, individuals must qualify for services based on admission criteria established for each waiver, and as such, some individuals that do not qualify for waived services may be eligible to be served through the children's special healthcare needs service as described in Section 201.030.

Additionally, DD waivers have annual expenditure caps in place, with the exception of the Comprehensive waiver. Individuals in the four other DD waivers could potentially apply for services through the children's special healthcare needs service after meeting their annual waiver expenditure cap, if the cap is not approved to be exceeded.

### §201.030 - Expansion of eligibility and services for children with special health care needs

DHSS states the Children and Youth with Special Health Care Needs (CYSHCN) is the program within the Department of Health and Senior Services designated as the agency of this state to provide services to children (age zero to 21) who have a physical disability or special health care need, per Section 201.030, RSMo. The CYSHCN Program is a state funded program, designed to be the payer of last resort in funding medically necessary diagnostic and treatment services for individuals with a physical disability whose family income is at or below 185% of the federal poverty level.

The proposed legislation, within section 201.030, would require CYSHCN to expand eligibility and the type of services provided to include serving children with a cognitive, emotional, mental or developmental disability. Currently, the Department of Mental Health (DMH) serves many children with these disabilities through an array of federal waiver programs and other state funded services. It is unknown as to how many children would seek services for these conditions through CYSHCN instead of DMH, or to seek services through the CYSHCN program if they are

ASSUMPTION (continued)

not eligible for DMH or have capped out of DMH services. Section 201.030 of the proposed also requires the CYSHCN program to cover habilitative, rehabilitative and lifespan care. The total cost to provide these services is unknown as the amount and types of service is unique to the individual; but of significance, as these types of care are costly and mandated for the lifespan.

§201.040 - Individuals eligible for services

DHSS officials provide that section 201.040 of the proposed legislation replaces the word "child" with "individual" in reference to who would be served by the program. Section 201.010, RSMo, provides a definition of child but not a definition of individual. Through this language, the reference to providing lifespan care in section 201.030 of the proposed, and the reference to providing care or assistance at any age found in section 376.1223 of the proposed, DHSS infers that the intent of this legislation is to serve individuals of any age. While there are various programs within DMH that serve individuals through the lifespan, there are many gaps in care that exist for persons with any of these disabilities, especially adults. As one example, state Medicaid for adults does not provide coverage for therapies (physical, occupational, or speech). Therefore, a MO HealthNet eligible adult with a traumatic brain injury would utilize the CYSHCN Program for rehabilitative services.

In order to expand the CYSHCN Program as proposed, the program would incur unknown, but considerable, costs to general revenue for staff, ITSD, and services for both children and adults. Therefore, this fiscal note has (Unknown > \$1,000,000) impact to general revenue.

Bill as a whole

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$19,850.

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 Administration (OA), Division of Budget & Planning (B&P)** state section 201.030 would expand children's special health care needs services to provide cognitive, emotional, mental, or developmental disability services and includes habilitative and rehabilitative services, and lifespan care. Section 201.040 replaces "child" with "individual", which would broaden eligibility for those financially unable to pay for such services. This program is administered by DHSS. B&P defers to DHSS for the impact of these provisions.

ASSUMPTION (continued)

Section 376.1223 stipulates that third-party payers for health care services shall not limit or deny reimbursement for treatment of symptoms for individuals with physical, cognitive, emotional, mental, or developmental disability in certain situations. Amendments to insurance policies resulting from this provision must be submitted to DIFP for review along with a \$50 filing fee. The additional one-time revenues from these fees would be deposited to the Insurance Dedicated Fund and would increase TSR. This will not impact the state's Article X, Section 18(e) calculation. B&P defers to DIFP for an estimate of potential revenues.

Officials from the **Department of Mental Health (DMH)** do not anticipate a fiscal impact as this refers to Department of Health and Senior Services funded wrap-around services which would be provided in addition to services already covered by the DMH.

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.

Officials from the **Department of Social Services (DSS), Divisions of: Children's, Youth Services, MO HealthNet and Legal Services, the Missouri Consolidated Health Care Plan, the Missouri Department of Conservation and the Missouri Department of Transportation** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2018	FY 2019	FY 2020
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DHSS (§§201.030 and 201.040)</u>			
Personal service, equipment and expense, information technology updates, and program services	<u>(Unknown greater than \$1,000,000)</u>	<u>(Unknown greater than \$1,000,000)</u>	<u>(Unknown greater than \$1,000,000)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(Unknown greater than \$1,000,000)</u></b>	<b><u>(Unknown greater than \$1,000,000)</u></b>	<b><u>(Unknown greater than \$1,000,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP</u>			
Form filing fees	<u>Up to \$19,850</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND</b>	<b><u>Up to \$19,850</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

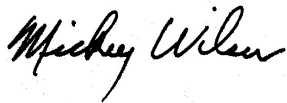
This act adds cognitive, emotional, mental, and developmental disabilities to the service program administered by the Children's Special Health Care Needs Service, and specifies that the purpose of such service includes provision of habilitative and rehabilitative services, and lifespan care.

This act also specifies when an individual is eligible to free health services, and provides that no third-party payer for health care services shall limit coverage or deny reimbursement for treatment of physical, cognitive, emotional, mental, or developmental disability where the disability requires the individual to receive care or assistance from another person at any age, and interferes with the individual's everyday functional activities.

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 Public Safety -  
    Missouri State Highway Patrol  
Department of Social Services  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Department of Transportation  
Office of Administration -  
    Division of Budget & Planning



Mickey Wilson, CPA  
Director  
March 23, 2017

Ross Strobe  
Assistant Director  
March 23, 2017