

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2440-07
Bill No.: Truly Agreed To and Finally Passed HCS for SS for SB 5
Subject: Abortion; Health Care; Health Care Professionals; Health and Senior Services Department; Hospitals; Medical Procedures and Personnel; Physicians
Type: Original
Date: August 15, 2017

Bill Summary: This proposal modifies several provisions relating to abortion.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$79,380)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$79,380)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Section 188.021

This language will require DHSS to conduct a review and approve of each of the submitted complication plans. This review can be accomplished utilizing existing staff; therefore, there is no fiscal impact for this section.

Section 188.047.2

This legislation mandates that an inquiry be conducted for each unreconciled report and that an onsite / unannounced inspection be conducted after receiving an unsatisfactory response to the inquiry and DHSS finds that the abortion facility or hospital was not in compliance with this section. DHSS is unable to quantify the possible number of new investigations or inspections that will be required. However, this could lead to substantial increase in the amount of time spent onsite at abortion facilities and hospitals. Therefore, the fiscal impact of this section is unknown.

Section 197.230 2

This language requires the department to make at least one annual unannounced inspection and investigation of all abortion facilities. Since the number of inspections/investigations is indeterminate (at least annually) and the number of abortion providers may change, DHSS is unable to quantify the number of additional inspections/investigations that will be required. Therefore, the fiscal impact of this section is unknown.

DHSS provided the response for the **Office of Administration (OA), Information Technology Services Division (ITSD)/DHSS**. OA, ITSD officials provided the following information:

Section 188.047

This section will require assistance of ITSD to modify the existing ITOP mainframe application to support storage of required data elements to be used in reconciling each notice of abortion with its corresponding tissue report. Modifications are estimated to require 108 hours at \$75 per hour or \$8,100 for FY18 (General Revenue). No additional on-going costs anticipated.

Section 192.667

This section will require the assistance of ITSD to add abortion facilities to the existing Missouri Healthcare - Associated Infection Reporting System (MHIRS) application for data reporting to DHSS.

ASSUMPTION (continued)

Modifications will be made to the existing data collection application, MHIRS. It is assumed a team of a project manager, business analyst and developer will be needed for three (3) months at an estimated cost of \$71,280 (950.4 hrs X \$75/hr) for FY18 to the General Revenue Fund. No additional on-going costs are anticipated.

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.

Oversight assumes additional inspections can be absorbed within current funding levels. However, if inspections/investigations increase significantly, the DHSS may need to request additional funding through the appropriations process.

Bill as a whole

Officials from the **Office of Attorney General (AGO)** assume any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation.

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 at the **Office of Administration's Division of General Services (OAGS)** assume that no state employee would violate the proposal. Therefore, it is assumed that no successful claims will be made against the Legal Expense Fund and the proposal would thus have no fiscal impact upon the OAGS. However, should that assumption prove to be incorrect, significant costs could be incurred by the Legal Expense Fund.

Officials at the **Department of Natural Resources, the Office of Prosecution Services, the Department of Corrections, the Department of Insurance, Financial Institutions and Professional Registration, the Department of Labor and Industrial Relations, the Department of Public Safety's Missouri State Highway Patrol, the Department of Social Services, Division of Legal Services, MO HealthNet Division and Division of Finance and Administrative Services, the Office of Administration's Administrative Hearing Commission and the Office of State Courts Administrator** each assume no fiscal impact to their respective agencies from this proposal.

In response to a previous version, officials at the **Office of the State Public Defender** assumed no fiscal impact from this proposal.

ASSUMPTION (continued)

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** stated 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.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Costs - DHSS (\$188.047)</u>			
Computer system modifications	(\$8,100)	\$0	\$0
<u>Costs - DHSS (\$192.667)</u>			
Computer system modifications	<u>(\$71,280)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DHSS</u>	<u>(\$79,380)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$79,380)</u>	<u>\$0</u>	<u>\$0</u>
<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

COMPLICATION PLANS (Section 188.021)

Under this act, no physician may prescribe or administer to a patient any drug or chemical used for the purpose of inducing an abortion without first obtaining the Department of Health and Senior Services' approval of a complication plan if the Food and Drug Administration label of such drug or chemical includes a clinical study in which more than one percent of patients administered the drug or chemical required surgical intervention after administration. The complication plan shall include any necessary information as determined by the Department in rule.

TISSUE REPORTS (Section 188.047)

Under current law, a representative sample of tissue removed at the time of abortion is sent to a pathologist for examination. This provision requires that all tissue removed at the time of abortion be sent to the pathologist within seventy-two hours for gross and histopathological examination. The pathologists shall provide a copy of the tissue report to the abortion facility or hospital within seventy-two hours. If the pathological examination does not reveal the presence of a completed abortion, the pathologist shall notify the abortion facility within twenty-four hours.

The Department shall reconcile each notice of abortion with its corresponding tissue report. If the Department does not receive either a notice or a report, the Department shall conduct an investigation and, if a deficiency is discovered, shall perform an unscheduled inspection of the facility to ensure such deficiency is remedied. If the deficiency is not remedied, the Department shall suspend the abortion facility's or hospital's license for at least one year, subject to applicable licensure procedures.

Finally, this provision requires the Department, beginning January 1, 2018, to make an annual report to the General Assembly. The report shall include all reports and information received under this provision and the following for each abortion procedure reported to the Department the previous calendar year: (1) the termination procedure used; (2) whether the Department received the tissue report for that abortion; and (3) the existence and nature, if any, of any inconsistencies or concerns between the physician's abortion report to the Department and the pathologist's submitted tissue report. The report shall not disclose any personal patient information prohibited by law and shall maintain the confidentiality of all personal information of patients, facility personnel, and facility physicians.

FISCAL DESCRIPTION (continued)

ABORTION FACILITY INSPECTIONS (Section 197.230)

This provision requires the Department to conduct annual, unannounced, on-site inspections and investigations of abortion facilities. These inspections shall, at a minimum, include the following areas: (1) compliance with all statutory and regulatory requirements for an abortion facility, including requirements that the facility maintain adequate staffing and equipment to respond to medical emergencies; (2) compliance with the provisions of chapter 188; and (3) compliance with the requirement in state law that continuous physician or registered professional nursing services be provided whenever a patient is in the facility. Additionally, the inspection and investigation reports shall be available to the public, provided that information not subject to disclosure under the law be redacted.

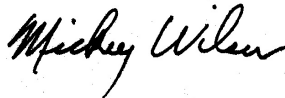
Certain data is to be collected from abortion facilities related to the incidence of health care-associated infections. (Section 192.667)

This proposal contains a severability clause.

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

Office of Attorney General
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Public Safety -
 Missouri State Highway Patrol
Department of Social Services
Joint Committee on Administrative Rules
Missouri Office of Prosecution Services
Office of State Courts Administrator
Office of Secretary of State
Office of State Public Defender
Office of Administration
 Administrative Hearing Commission
 Division of General Services



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