

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4209-11
Bill No.: CCS for HCS for SCS for SB 718
Subject: Drugs and Controlled Substances; Pharmacy; Physicians
Type: Original
Date: May 17, 2018

Bill Summary: This proposal modifies provision relating to health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	(\$35,000)	(\$237,793)	(\$231,862)
Total Estimated Net Effect on General Revenue	(\$33,500)	(\$237,793)	(\$231,862)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Insurance Dedicated Fund	Up to \$20,000	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$20,000	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

*Costs and Income of less than \$35,000 net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	0 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	0 FTE	1 FTE	1 FTE

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 2019	FY 2020	FY 2021
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.

Section 9.158

Officials from the **Office of Administration** assume the proposal will have no fiscal impact on their organization.

Section 9.192

Officials from the **Office of Administration** assume the proposal will have no fiscal impact on their organization.

Section 191.227

In response to a similar proposal from this year (SB 951), officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Social Services** and the **Joint Committee on Administrative Rules** each assumed the proposal would not fiscally impact their respective agencies.

In response to a similar proposal from this year (SB 951), 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.

ASSUMPTION (continued)

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.

Section 191.1150

In response to a similar proposal from this year (SB 991), officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Social Services**, **MO HealthNet Division** and **Division of Legal Services** and the **Office of State Courts Administrator** each assumed the proposal would not fiscally impact their respective agencies.

Sections 195.070 and 195.265

In response to a similar proposal from this year, SB 826, officials from the **Department of Health and Senior Services** assumed the proposal would not fiscally impact their agency.

In response to a similar proposal from this year, SB 826, from **St. Louis County** stated this bill does not automatically specifically incur costs to the Department of Public Health (DPH). However, if the County chooses to add additional collection sites at DPH clinics or where the practitioners covered by this change are located, then some minor costs for the collection tools may need to be identified. Those costs are unknown at this time.

Oversight notes the provision of additional collection sites by the St. Louis County Department of Public Health is not mandated by the proposal. In addition, the County stated that the costs for collection tools should be minor. Therefore, Oversight assumes this proposal will have no significant fiscal impact on St. Louis County.

Officials from the **Department of Natural Resources**, the **City of Kansas City**, and **Callaway County** each assume the proposal would not fiscally impact their respective agencies.

Section 208.183

In response to a similar proposal from this year (SB 995), officials from the **Department of Social Services (DSS)** stated this legislation states there will be a total of 15 board members on the advisory council. Also attending the board meetings would be approximately 9 MO HealthNet staff. The cost of the meals per meeting was calculated by using Missouri's food per diem for instate travel.

ASSUMPTION (continued)

The maximum cost for lunch in Jefferson City is \$10.00 per day per person. The total cost for meals was calculated by taking 15 board members multiplied by \$10.00 which equals \$150.00 (\$10.00 x 15 = \$150.00) for each meeting. MHD assumes there will be 1 meeting per quarter and lunch would be catered.

For FY19 the start date of the advisory council would be February 28, 2019; therefore, FY19 is calculated at 6 months (2 meetings). Mileage was calculated by using an average from the Drug Utilization Review (DUR) board of 7 members that submitted expense reports. The mileage reimbursement for the state of Missouri is calculated at \$0.37 per mile.

Lodging was calculated by using the maximum paid by the state of Missouri of \$89.00 per night. Copies of the packets for the meeting were calculated by using the department max for color ink at \$0.05 per copy and for black and white at \$0.0082 per copy. Cost of paper is at a rate of \$0.05 per sheet. Packets used for the DUR board meeting consists of approximately 5 color slides and 100 sheets of paper.

The Department of Social Services assumes that costs for advisory council meetings would not eligible for federal funding and, therefore, calculated all costs to be general revenue fund costs.

The DSS estimates the fiscal impact of this proposal to be \$4,296 for FY19 and \$8,593 for each FY20 and FY 21.

Oversight assumes the DSS could absorb this minimal fiscal impact within existing appropriation levels.

Section 210.070

In response to a similar proposal (HB 2117), officials from the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Social Services** each assumed the proposal would not fiscally impact their respective agencies.

Sections 334.037, 334.104 and 334.735

In response to a similar proposal from (Perfected HCS for HB 1574), officials from the **Department of Health and Senior Services**, the **Department of Social Services** and the **Department of Insurance, Financial Institutions and Professional Registration** each assumed the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

Sections 337.025, 337.029 and 337.033

In response to a similar proposal from this year (HB 1629), officials from the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Higher Education** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (HB 1629), officials from the **Missouri State University** and the **University of Missouri** each assumed the proposal will have no fiscal impact on their respective organizations.

Section 376.1550

In response to a similar proposal from this year (HB 2384), officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** expected to see a filing influx of 5 filings per comprehensive writing companies, along with a \$50 filing fee. DIFP has 80 licensed companies writing comprehensive policies. DIFP could expect around \$20,000 (80 x 5 x \$50) in revenue from the passage of this bill.

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 department will need to request additional staff to handle increase in workload.

Officials from the **Department of Mental Health**, the **Department of Social Services**, the **Department of Transportation**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Consolidated Health Care Plan** and the **Missouri Department of Conservation** each assume the proposal will have no fiscal impact on their respective organizations.

Section 630.875 - Improved Access to Treatment for Opioid Addictions (IATOA) Program

Officials from the **Department of Mental Health (DMH)** assumes this legislation requires the DMH to create and oversee the Improved Access to Treatment for Opioid Addictions (IATOA) Program. The DMH will expend resources in creating and running this program. The cost to DMH may be reduced as the development of curriculum and examinations on opioid addiction and treatment is discretionary. The DMH will facilitate partnerships between assistant physicians, physician assistants, and advanced practice registered nurses at FQHC's, rural health clinics, and other health care facilities and physicians across the state.

ASSUMPTION (continued)

The DMH will be responsible for providing access to telemedicine and Extension for Community Healthcare Outcomes (ECHO) programs. There will be grant funding for FY 2019 to help with some of these requirements. Starting with year two, the DMH would have increased cost of \$241,023. In year three and thereafter, the DMH would need \$235,062 to continue the services.

Oversight has, for fiscal note purposes only, changed the starting salary for the Program Specialist II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Section 632.005

In response to a similar proposal from this year (HCS for SCS for SB 846), officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** stated this legislation revises chapter 632 by adding definitions for psychiatric assistant physician and psychiatric physician assistant under chapter 334.

This legislation only adds definitions to chapter 632, but does not change MO HealthNet reimbursement under Chapter 208, RSMo, or impact MO HealthNet health care plans regulated under Chapter 376, RSMo.

Therefore, MHD assumes there would be no fiscal impact for Managed Care or Fee-for-Service with regard to utilization of services. However, there would be an estimated negative impact of \$67,000 for adding a new specialty. The total cost includes updating rules, prior authorization processing, and updates to the ad hoc reporting tool. This impact would be in FY19, and would be a 50/50 split among State and Federal.

MHD assumes services provided by psychiatric physician assistant and psychiatric assistant physician will be paid from DMH budget, therefore MHD defers to DMH for costs associated.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Costs - DMH (\$630.875)</u>			
Personal service	\$0	(\$43,208)	(\$43,640)
Fringe benefits	\$0	(\$23,621)	(\$23,740)
Equipment and expense	\$0	(\$11,482)	(\$1,013)
Telehealth (ECHO) expense	<u>\$0</u>	<u>(\$159,482)</u>	<u>(\$163,469)</u>
Total <u>Costs - DMH</u>	<u>\$0</u>	<u>(\$237,793)</u>	<u>(\$231,862)</u>
FTE Change - DMH	0 FTE	1 FTE	1 FTE
 <u>Cost - DSS (\$632.005)</u>	 <u>(\$33,500)</u>	 <u>\$0</u>	 <u>\$0</u>
System Changes			
 ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	 <u>(\$33,500)</u>	 <u>(\$237,793)</u>	 <u>(\$231,862)</u>
 INSURANCE DEDICATED FUND			
 <u>Revenue - DIFP (\$376.1550)</u>	 <u>Up to \$20,000</u>	 <u>\$0</u>	 <u>\$0</u>
\$50 Filing Fee			
 ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	 <u>Up to \$20,000</u>	 <u>\$0</u>	 <u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small medical businesses could be impacted by the additional hours of continuing professional education requirements in this proposal.

FISCAL DESCRIPTION

This proposal establishes an program to improve access to treatment to opioid addiction.

This proposal changes provisions for mental health insurance coverage.

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 Insurance, Financial Institutions and Professional Registration
Department of Social Services
Department of Health and Senior Services
Department of Mental Health
Office of Administration
Joint Committee on Administrative Rules
Office of the Secretary of State
Office of the State Courts Administrator
Department of Natural Resources
Department of Higher Education
City of Kansas City
Callaway County
Missouri State University
University of Missouri

Ross Strope



Acting Director
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