

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6092-02
Bill No.: HCS for SB 951
Subject: Administrative Rules; Health Care; Health and Senior Services Department
Type: Original
Date: April 20, 2018

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$10,000	\$10,000	\$10,000
Total Estimated Net Effect on General Revenue	\$10,000	\$10,000	\$10,000

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§197.305 - Certificate of Need

Officials from the **Department of Health and Senior Services (DHSS)** state based on prior year requests, the Division of Regulation and Licensure assumes there would be an additional 10 requests for certificates of need (CON), which would meet the requirements of the revised legislation. CON assumes each would have a \$1,000 fee, for an annual increase to the General Revenue Fund of \$10,000.

Bill as a whole

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Public Safety, Missouri State Highway Patrol**, the **Department of Social Services**, the **Joint Committee on Administrative Rules**, the **Springfield Police Department** and the **St. Louis County Department of Justice Services** each assume the proposal would not fiscally impact their respective agencies.

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.

Officials from the following **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cass Regional Medical Center, Cedar County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Hospital, Golden Valley Memorial Hospital,

ASSUMPTION (continued)

Hermann Area District Hospital, Putnam County Memorial Hospital, Samaritan Hospital, the University of Missouri Health System and Washington County Memorial Hospital did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **nursing home districts**: Clark County, Knox County, Loch Haven, Maple Lawn, Monroe Manor, Scotland County, Sunnyview and Tri-County did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **law enforcement agencies**: the Ashland Police Chief, Boone County Sheriff's Department, Branson Police Department, Buchanan County Sheriff's Department, Cass County Sheriff's Office, Clark County Sheriff's Department, Clay County Sheriff's Department, Cole County Sheriff's Department, Columbia Police Department, Greene County Sheriff's Department, Independence Police Department, Jackson County Sheriff's Department, Jasper County Sheriff's Department, Jefferson City Police Department, Jefferson County Sheriff's Department, Joplin Police Department, Lawrence County Sheriff's Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Department of Police and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Income - DHSS (\$197.305)</u>			
CON fees	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</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

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

FISCAL DESCRIPTION

Currently, a health care facility seeking to increase its total number of beds by ten or less or ten percent or less of its total bed capacity over a two-year period may be eligible for a non-applicability review under the certificate of need program. Under this act, such a facility shall only be eligible for a non-applicability review if the facility has had no patient care class I deficiencies within the last eighteen months and has maintained at least an 85% average occupancy rate for the previous six quarters. (§197.305)

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 Social Services
Joint Committee on Administrative Rules
Office of Secretary of State
Springfield Police Department
St. Louis County Department of Justice Services

Ross Strope



Acting Director
April 20, 2018