

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6092-04
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 951
Subject: Administrative Rules; Certificate of Need; Drugs and Controlled Substances;
 Health Care; Health Care Professionals; Health and Senior Services Department;
 Health, Public; Hospitals; Insurance - Health; Medicaid/MO HealthNet; Medical
 Procedures and Personnel; Mental Health; Mental Health Department; Physicians;
 Psychologists; Public Assistance
Type: Original
Date: June 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	(\$23,500)	(\$227,793)	(\$221,862)
Total Estimated Net Effect on General Revenue	(\$23,500)	(\$227,793)	(\$221,862)

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 8 pages.

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

* One-time income and expenses less than \$50,000 in FY 19 net to \$0.

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

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

§195.265 - Educational program relating to drug disposal

Officials from the **Department of Health and Senior Services (DHSS)** assume the development of an education and awareness program regarding drug disposal can be implemented with current staff and funding.

§197.305 - Certificate of Need

Officials from the **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.

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

Officials from the **Department of Mental Health (DMH)** state under this proposal the DMH is to create and oversee the Improved Access to Treatment for Opioid Addictions (IATOA) Program. The cost to DMH may be reduced as the development of curriculum and examinations on opioid addiction and treatment is discretionary. DMH will facilitate partnerships between assistant physicians at Federally Qualified Health Centers (FQHC's), rural health clinics, and other health care facilities and physicians across the state. 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 (ECHO costs plus FTE expenses). However, starting with year two, the DMH would have increased costs of \$241,023 and in year three and thereafter, the DMH would need \$235,062 to continue the services because of a reduction in grant funding.

This legislation broadens significantly the scope of DMH duties associated with addressing the ongoing opioid crisis. While there are currently grant funds available to assist with some collaborative and training efforts, this funding is set to end in 2019. Thus, one FTE, Program Specialist II (\$45,192 annually) would be needed to support, monitor, and/or implement the following time-intensive tasks and programs outlined in the proposed legislation:

- Development of (will require research and coordination with legal counsel, medical professionals, etc) an information and consent form on the effects of opioid medication and alternative pain treatments.

ASSUMPTION (continued)

- Creation and oversight of an "Improved Access to Treatment for Opioid Addictions Program" - this will require the gathering and dissemination of best practice information, as well as the facilitation of partnerships between key stakeholders.
 - o Coordination, oversight, monitoring of ECHO programs.
 - o Expansion and oversight of telehealth opportunities.
 - o Development of curriculum and exams for assistant physicians and/or other medical providers; this will require extensive research and collaboration with knowledgeable stakeholders.
 - o Direct support/access to referral information for recovery coaches in emergency departments, post-overdose.
- Development, vetting, and promulgation of rules to implement the provisions of the act. There will need to be training developed on the implementation of rules, as well as training conducted on the new rules.
- Development of a state-wide plan on providing public information and education regarding opiates with new stakeholders.

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.

§632.005 - Psychiatric assistant physicians and physician assistants

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state 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.

ASSUMPTION (continued)

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.

Officials from the **DSS, Division of Legal Services (DLS)** assume the proposal would not fiscally impact their agency. DLS defers to the MHD for the fiscal impact analysis on the Medicaid program.

Bill as a whole

Officials from the **Department of Higher Education, the Department of Insurance, Financial Institutions and Professional Registration, the Department of Public Safety, Missouri State Highway Patrol, the Missouri Department of Conservation, the Joint Committee on Administrative Rules, the Missouri Consolidated Health Care Plan, the Missouri Department of Transportation** and the **Office of Administration** 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.

<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	\$10,000	\$10,000	\$10,000
<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>Costs - DSS (\$632.005)</u>			
System changes	<u>(\$33,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND			
	<u>(\$23,500)</u>	<u>(\$227,793)</u>	<u>(\$221,862)</u>
Estimated Net FTE Change on the General Revenue Fund	0 FTE	1 FTE	1 FTE
FEDERAL FUNDS			
<u>Income - DSS (\$632.005)</u>			
Increase in reimbursement for system changes	\$33,500	\$0	\$0
<u>Costs - DSS (\$632.005)</u>			
System changes	<u>(\$33,500)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</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

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)

The bill creates the "Improved Access to Treatment for Opioid Addictions Program," (IATOA), which will disseminate information and best practices regarding opioid addiction. Assistant physicians who participate in the IATOA program must complete requirements to prescribe buprenorphine within 90 days of joining the program. The department may develop curriculum, examinations, and certification on the subject of opioid addiction and treatment. (§630.875)

This bill adds psychiatric physician assistants, psychiatric assistant physicians and advanced practice registered nurses who are licensed under chapter 334 to the definition of mental health professionals for the purposes of Chapter 632, RSMo. (§632.005)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

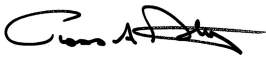
SOURCES OF INFORMATION

- Department of Health and Senior Services
- Department of Mental Health
- Department of Insurance, Financial Institutions and Professional Registration
- Department of Higher Education
- Department of Public Safety -
 - Missouri State Highway Patrol
- Department of Social Services -
 - MO HealthNet Division
 - Division of Legal Services

SOURCES OF INFORMATION (continued)

Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
Office of Secretary of State

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
June 20, 2018