

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6599-01
Bill No.: SB 1040
Subject: Certificate of Need; Health Care; Health and Senior Services Department;
Hospitals; Nursing Homes and Long-term Care Facilities
Type: Original
Date: April 5, 2018

Bill Summary: This proposal modifies provisions relating to certificates of need.

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 4 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

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.

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, 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.

<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.

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

Ross Strobe



Acting Director
April 5, 2018