

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3720-01  
Bill No.: SB 533  
Subject: Employees - Employers; Health Care; Health and Senior Services Department;  
Hospitals  
Type: Original  
Date: February 10, 2020

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Bill Summary: This proposal requires hospitals to adopt workplace violence prevention plans.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
University of Missouri Health Care	(\$485,600)	(\$485,600)	(\$485,600)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$485,600)</b>	<b>(\$485,600)</b>	<b>(\$485,600)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>(Unknown, greater than \$26,400)</b>	<b>(Unknown, greater than \$26,400)</b>	<b>(Unknown, greater than \$26,400)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**§197.750 - Workplace violence prevention plans**

Officials from the **Hermann Area District Hospital** state earlier this year, a Homeland Security Officer did a walkthrough of their facility to help determine gaps in their current plans.

Hermann Area District Hospital officials provided the Homeland Security Officer’s suggestions and an estimate for an additional cost of \$26,400.

Requirement	Avg. Cost	Total
Annual training of all healthcare workers	170 * 20 * 2 = \$7,080	\$6,800
Development of training and annual updates	Initial \$500 Annual \$200	\$500
Delivery of Education	Someone will spend estimate of 350 hours providing training using the ave. salary/hour.	\$7,000
A system for responding to and investigating violent attacks	Revisions to incident tracking - \$400 Additional collection, filing, storage - \$200	\$600
A system to annually assess and improve	HR/Leadership Team - \$800-1000	\$1,000
Known security updates	\$6,000	\$10,000
If forced to implement electronic patient classification system; 24/7 security personnel; etc.	>\$80,000 annually	
Document and retain for five years any report of violence regardless of if injury occurred	\$500	\$500
	<b>Total*</b>	<b>\$26,400</b>

\* A requirement that the plan be in effect at all times in all patient care units, including inpatient and outpatient settings and clinics on the hospital’s license.

ASSUMPTION (continued)

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by the Hermann Area District Hospital for fiscal note purposes.

**Oversight** notes the State of Missouri has approximately 35 hospitals that report ownership-type as: County/City/Community, Hospital Districts, or Stated-owned. For fiscal note purposes, Oversight assumes costs to local governments to be (Unknown, greater than \$26,400) annually as other publically-owned hospitals will be required to adopt workplace violence prevention plans.

Officials from the **University of Missouri Health Care (UMHC)** have determined that as written, the proposed legislation will create an annual expense of approximately \$485,600.

**Oversight** contacted UMHC officials for additional information related to this proposal. Officials stated the costs provided above includes education and training, additional needs for reporting and investigating violent incidents (requirements for reports sent to Department of Health and Senior Services), and additional staff for timely processing and reporting. The majority of the cost is education and training. Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by University of Missouri Health Care for fiscal note purposes.

Officials from the **Department of Health and Senior Services (DHSS)** state this proposed legislation requires hospitals to adopt a workplace violence prevention plan, document and retain for a period of five years any violent incidents against a hospital employee, and report violent incidents to the DHSS, Division of Regulation and Licensure (DRL). By January 1, 2022, and each year thereafter, DRL is to make available a report containing information on violent incidents at hospitals. DRL is responsible for conducting inspections of hospitals. Changing regulations, reviewing hospital records, and producing requested reports are within the normal ebb and flow of work scope for DRL so minimal time and expense will be required to conduct the requirements of the proposed legislation.

The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by DHSS for fiscal note purposes.

**Oversight** notes the **Department of Mental Health** has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>UNIVERSITY OF MISSOURI HEALTH CARE</b>			
<u>Costs</u> - University of Missouri Health Care (§197.750) - implementation of a workplace violence prevention plan	<u>(\$485,600)</u>	<u>(\$485,600)</u>	<u>(\$485,600)</u>
<b>ESTIMATED NET EFFECT ON THE UNIVERSITY OF MISSOURI HEALTH CARE</b>	<b><u>(\$485,600)</u></b>	<b><u>(\$485,600)</u></b>	<b><u>(\$485,600)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>LOCAL GOVERNMENTS - HOSPITALS</b>			
<u>Costs</u> - Hospitals (§197.750) - Workplace violence prevention plan development and implementation	<u>(Unknown, greater than \$26,400)</u>	<u>(Unknown, greater than \$26,400)</u>	<u>(Unknown, greater than \$26,400)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>(Unknown, greater than \$26,400)</u></b>	<b><u>(Unknown, greater than \$26,400)</u></b>	<b><u>(Unknown, greater than \$26,400)</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act requires a licensed hospital, not including a Department of Mental Health state-operated psychiatric hospital, to adopt a workplace violence prevention plan by August 28, 2021, that is designed to protect health care employees and other hospital personnel from aggressive and violent behavior. The hospital shall file the plan with the Department of Health and Senior Services upon adoption.

FISCAL DESCRIPTION (continued)

A hospital with a workplace violence prevention plan shall not intentionally prevent an employee from, or take punitive or retaliatory action against an employee for, seeking assistance from local emergency services or law enforcement when a violent incident occurs. A hospital shall maintain a written record of any violent incident against a hospital employee for five years, and shall report such incidents to the Department within 24 to 72 hours following the incident, as described in the act. (§197.750)

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  
Hermann Area District Hospital  
University of Missouri Health Care



Julie Morff  
Director  
February 10, 2020



Ross Strobe  
Assistant Director  
February 10, 2020