

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2115S.01I
 Bill No.: SB 478
 Subject: Disabilities; Elderly; Employees - Employers; Health Care; Health Care Professionals; Nurses; Nursing Homes and Long-Term Care Facilities
 Type: Original
 Date: March 30, 2021

Bill Summary: This proposal requires registration with the Department of Health and Senior Services for supplemental health care services agencies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
Total Estimated Net Effect on General Revenue	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

*The net fiscal impact to the General Revenue Fund depends on the number of FTE required by the Department of Health and Senior Services to operate the program and the amount of annual registration fee collected from the supplemental health care services agencies - if the fee revenue is sufficient to cover the expenses of the department. Oversight assumes the net fiscal impact (scenarios where fee revenue is insufficient (or more than sufficient) to cover expenses) could reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	Unknown	Unknown	Unknown
Total Estimated Net Effect on FTE	Unknown	Unknown	Unknown

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§198.640, 198.642, 198.644, 198.646, and 198.648 – Supplemental health care services agencies registration

Officials from the **Department of Health and Senior Services (DHSS)** state SB 478, section 198.642 requires the DHSS, Section for Long-Term Care Regulation (SLCR) to create a registration process and registry for a "supplemental health care services agency", which is defined as a person, firm, corporation, partnership, or association that provides or procures temporary employment in residential care, assisted living, intermediate care and skilled nursing facilities for health care personnel. Agencies are required to register annually with SLCR and each separate location of the agency will be required to register. The registration process includes a registration application, collection of fees, and review of administrative policies/procedures. The legislation also requires oversight through annual unannounced surveys, complaint investigations, and other actions to ensure compliance.

SLCR cannot estimate the number of agencies that will register as a supplemental health care agency; therefore the number of FTE needed to establish the registry and the number of additional inspections and investigations, as required under this legislation, is unknown.

Further, SB 478 requires the registration fee established by DHSS to meet the expenses of the department for the administration of the registry. SLCR cannot estimate the number of agencies that would register as a supplemental health care agency; therefore the revenue collected from registration fees is unknown.

Therefore, the DHSS assumes an (Unknown) to Unknown fiscal impact to the General Revenue Fund for this proposal.

Oversight assumes this proposal pertains to any temporary placement agency (temp agency) that provides medical/healthcare personnel as it doesn't indicate that an agency has to specialize in supplemental healthcare services. Oversight notes DHSS is not able to determine all of the temp agencies and their locations throughout the state that could place healthcare temps. As a result, it is assumed DHSS would not be able to estimate registration fees nor estimate the number of staff that may be required to implement and staff the program, determine the number of surveyors and complaint investigators needed or determine other costs associated with the program. However, Oversight assumes the fiscal impact of this proposal, while unknown, would exceed \$250,000 annually. Therefore, for fiscal note purposes, Oversight will present an (Unknown, greater than \$250,000) fiscal impact to the General Revenue Fund.

Officials from the **Office of Administration (OA) - Administrative Hearing Commission (AHC)** state the AHC anticipates this legislation will not significantly alter its caseload. However, if similar bill pass, resulting in more cases, there will be a fiscal impact.

Officials from the **Department of Revenue**, the **Department of Social Services** and the Hermann Area Hospital District each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **OA - Budget and Planning (B&P)** state §198.642.2 of the proposed legislation requires that supplemental health care service agencies annually register with the Department of Health and Senior Services (DHSS). Subdivision 6 requires that the department establish a fee (no less than \$1,000) for registration that covers the cost of administering the program. The B&P defers to DHSS for the impact this registration fee may have to Total State Revenue.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 our office can sustain with our core budget. Therefore, they reserve 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 only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals and nursing homes were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Income – DHSS</u> (§§198.640 – 198.648) – Registration fees and fine revenue	Unknown	Unknown	Unknown
<u>Costs – DHSS</u> (§§198.640 – 198.648) - Personal service, fringe benefits and equipment and supplies	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FTE Change – DHSS	Unknown	Unknown	Unknown
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
Estimated Net FTE Change on General Revenue	Unknown	Unknown	Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal could have a direct fiscal impact on small business temporary placement agencies.

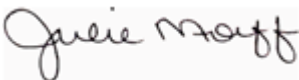
FISCAL DESCRIPTION

Under this act, a person who operates a supplemental health care services agency shall register with the Department of Health and Senior Services, as described in the act. A supplemental health care services agency is described as an agency that provides or secures temporary health care personnel for assisted living facilities, intermediate care facilities, residential care facilities, or skilled nursing facilities. Temporary employees shall be appropriately licensed or certified, trained, and compliant with continuing education standards, as well as meet other standards as described in the act. Temporary employees shall be considered agency employees and not independent contractors. Agencies shall not bill or receive payments from health care facilities at higher rates than 150% of the sum average wage rate, as defined in the act. An agency that violates the provisions of this act shall be subject to revocation or non-renewal of its registration. In cases where the agency bills or receives more than the maximum payment from a health care facility, the agency shall be subject to a fine equal to 200% of the amount billed or received in excess of the maximum permitted under this act. (§§198.640 – 198.648)

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 Revenue
Department of Social Services
Joint Committee on Administrative Rules
Office of Administration
Office of the Secretary of State
Hermann Area Hospital District



Julie Morff
Director
March 30, 2021



Ross Strope
Assistant Director
March 30, 2021