COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0309H.09T
Bill No.: Truly Agreed To and Finally Passed HCS for SS for SCS for SB 106
Subject: Health Care; Health Care Professionals; Medical Procedures and Personnel; Physicians; Health, Public; Education, Elementary and Secondary; Disabilities; Health and Senior Services, Department of; Medicaid/Mo HealthNet; Mental Health
Type: Original
Date: June 21, 2023

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
General Revenue*	(Could exceed $129,929,227 to $183,605,709)	(Could exceed $146,008,760 to $218,507,858)	(Could exceed $146,637,824 to $219,141,335)	(Could exceed $147,640,778 to $220,144,289)
Total Estimated Net Effect on General Revenue	**(Could exceed $129,929,227 to $183,605,709)**	**(Could exceed $146,008,760 to $218,507,858)**	**(Could exceed $146,637,824 to $219,141,335)**	**(Could exceed $147,640,778 to $220,144,289)**

*Range based on waiver approvals for various programs.
**The medical residency grant program (§191.592) is subject to appropriation and the fiscal impact reflects the cost to fund twenty (20) new residency slots each year. The actual number of residency slots and the related fiscal impact could be materially different.
***The Health Professional Loan Incentive Fund is subject to appropriations (therefore reflected as "$0 or") by the General Assembly. Along with the loss of revenue on forgiven loans, unknown costs for the program are assumed to exceed $250,000 annually (§§191.430 - 191.831).
****Per subsection 208.146.9, the Ticket-to-Work Health Assurance Program expires August 28, 2025; therefore, Oversight is only showing two (2) months of impact in FY 2026 for that section and no costs ongoing.
Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
State Road Fund	$0 or ($70,000-$75,000)	$0 or ($70,000-$75,000)	$0 or ($70,000-$75,000)	$0 or ($70,000-$75,000)
Medical Residency Grant Program*	$0 to Unknown	$0 to Unknown	$0 to Unknown	$0 to Unknown
Health Professional Loan Incentive**	$0	$0	$0	$0
Nurse Loan Fund	($66,000)	($1,300,000)	($66,000)	($1,300,000)
Board of Nursing Fund	$56,120	$1,211,515	$57,465	$1,211,515
Colleges & Universities	$0 to Unknown	$0 to Unknown	$0 to Unknown	$0 to Unknown
Total Estimated Net Effect on Other State Funds	**($9,880) or (Could exceed $79,880-$84,880)**	**($88,485) or (Could exceed $158,484-$88,560)**	**($8,535) or (Could exceed $78,535-$83,535)**	**($88,485) or (Could exceed $158,484-$88,560)**

*General Revenue appropriations and program costs net to $0; Gifts, grants, bequests, etc., Unknown.
**Costs, losses and savings net to $0 (§§191.430 – 191.831).

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Federal*	$0	$0	$0	
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**	**$0**

**Income and costs are estimated at $23 million to $95 million annually and net to $0 based on approved waivers.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
General Revenue	34.5 to 35	34.5 to 35	34.5 to 35	34.5 to 35
Medical Residency Grant Program	Could exceed 1	Could exceed 1	Could exceed 1	Could exceed 1
Federal Funds	8 to 8.5	8 to 8.5	8 to 8.5	8 to 8.5
Total Estimated Net Effect on FTE	**43.5 to 44.5 FTE**	**43.5 to 44.5 FTE**	**43.5 to 44.5 FTE**	**43.5 to 44.5 FTE**

☒ 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 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Local Government	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**

FISCAL ANALYSIS

ASSUMPTION

§37.980 – Missouri as a Model Employer

Officials from the **Office of Administration (OA)** state this section of the proposal requires the Office of Administration to submit a report to the general assembly describing the progress made by the state with respect to the directives issued as part of the "Missouri as a Model Employer" initiative described in executive order 19-16. Office of Administration, Division of Personnel currently participates and offers support for Missouri as a Model Employer initiative. The survey to collect data on the number of individuals with disabilities working for the state is anonymous. In order to generate a report as outlined in this proposed bill it would take a minimum of an additional 40 hours of staff member time to complete this work at the average hourly rate of $30.40 along with the added cost to update MoCareers, the State's centralized application platform at $50,000.00, with additional staff time of ten hours at the hourly rate of $36.21 to implement the updates to the application platform. The projected cost for this work is **$51,578**.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect to cost estimated provided by OA to the General Revenue Fund.

Officials from the **Department of Elementary and Secondary Education (DESE)** state that, in order to meet the reporting requirements and associated tasks outlined in this section, DESE estimates the need for an additional FTE Human Resource Analyst.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DESE.

Officials from the **Missouri Department of Agriculture (MDA)** state that, due to the reporting, training and recruitment aspect of this bill, MDA would need 1 FTE (Human Resource Specialist) to implement the provisions of sections 37.980 and 209.700 combined.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MDA.

§§191.430 - 191.831 and 335.203 - 335.257 – Health professional loan repayment program and nursing education

In response to similar legislation (Perfected HB 542), officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation was written in conjunction with a New Decision Item that would be necessary for successful implementation of the legislative changes. This proposed legislation will require General Revenue (GR) to run the Health Professional Loan Repayment Program, including funds for loan awards, based off regular appropriation process.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect fiscal impact as provided by DHSS.

DHSS stated in its FY2024 Budget Preview that it will transition fully to a loan repayment program funding professionals and practitioners with educational debt for the purpose of paying all or a portion of their existing educational loans.

The Primary Care Resource Initiative of Missouri (PRIMO) program addresses the needs of areas with a shortage of health professionals by assisting in the development and expansion of community-based health systems that provide medical, dental, and behavioral health services. In addition, the PRIMO program provides forgivable student loans to health care professional students who agree to work within shortage areas.

The Missouri Professional and Practical Nursing Student Loan (NSL) and Loan Repayment Program (LRP) provides forgivable student loans to nursing students in exchange for service in designated underserved communities and/or facilities that are experiencing nursing shortages upon completion of training. The program also provides loan repayment to practicing nurses in exchange for service in communities and/or facilities that are experiencing nursing shortages.

The Health Professional Loan and Health Professional Student Loan Repayment Program provides educational loan repayment to practicing primary care medical and dental health professionals in exchange for service in areas with a shortage of primary care medical and dental professionals.

FY 2024 Governor's Recommended Program funding for PRIMO, NSL and Loan Repayment Programs:

GR	$700,000
Fed	$425,000
Other	$2,256,790
Total	**$3,381,790**

FY 2020 Actual appropriations	$3,131,542
FY 2021 Actual appropriation	$3,310,292
FY 2022 Actual appropriations	$3,060,540
FY 2023 Actual appropriations	$3,181,790

Oversight notes that forgiveness of student loans includes the forgiveness of any accrued interest associated with those loans while the health professional meets the service obligations determined by DHSS.

Oversight assumes appropriations to the Health Professional Loan Repayment Program and loans/expenses incurred by the program will net to $0.

Officials from the **Department of Revenue (DOR)** state this proposal will create a Health Professional Loan Repayment Program that would provide certain taxpayers a loan. The loans are to be used to pay off a qualified taxpayer's student loan debt. The loans offered under this program are eligible for forgiveness if certain criteria are met.

The Department of Health and Senior Services is the administrator of this program and has the authority to set criteria for receipt of the loans.

It should be noted that under current federal law IRC Section 108(f)(1)-(2), income from the discharge/forgiveness of a student loan from December 31, 2020 to January 1, 2026 is not taxable. However, after January 1, 2026, such income may potentially be taxable. At this time, DOR cannot determine how many students may receive these loans, how much of these loans will be distributed, or if any of the loans received will be discharged/forgiven or when and, therefore, the DOR is unable to determine an impact from this portion of the proposal. Any loss would be unknown and would be considered foregone revenue.

This does not have an administrative impact on DOR.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no fiscal impact for this agency.

In response to similar legislation (Perfected HB 542), officials from the **University of Central Missouri (UCM)** stated this proposal would have an indeterminate fiscal impact on UCM.

Oversight notes, in response to the previous version of this proposal, UCM indicated the proposal could potentially increase revenue if it leads to increased enrollment. Therefore, Oversight will reflect a $0 to Unknown increase in revenues for Colleges and Universities for fiscal note purposes.

In response to the previous version of HB 542, officials from the **University of Missouri Health Care System** stated they had reviewed the proposed legislation and has determined that as written it should not create expenses in excess of $100,000.

Oversight does not have any information to the contrary. Oversight assumes less than $100,000 in expenses to the University of Missouri Health Care is an amount that can be absorbed within current funding levels and is not significant. Therefore, Oversight will reflect no fiscal impact for the University of Missouri Health Care System.

Oversight notes a standard monthly payment (at current rates) for $100,000 in student loans would be approximately $1,150, or $13,800 annually. To reach the $250,000 annual threshold, the program would only have to include 19 participants (19 x $13,800 = $262,200). Oversight assumes the $250,000 threshold, subject to appropriation, could be met in any given year.

<u>§335.203.2</u>

Officials from the **Department of Health and Senior Services (DHSS)** assume §335.203.2, of the proposed legislation, proposes the removal of the $150,000 grant limit for those awarded under the Nursing Education Incentive Program.

Oversight assumes removal of the $150,000 grant limit for those awarded the Nursing Education Incentive Program in this subsection will have no fiscal impact on state or local government.

Oversight notes the Department of Commerce and Insurance (DCI) budget request included the following information: *The Nursing Education Incentive Program (NEIP) was established in 2011 through legislative action and appropriation of State Board of Nursing (Board) funds to increase the number of nursing graduates by expanding the physical and educational capacity of professional nursing programs in Missouri. This grant program is supported by nurse licensure fees and represents continued action by the Board to support nursing education. The board currently has the authority to award up to $2,000,000 each fiscal year for the NEIP Program. This new decision item would allow the Board to award up to $3,000,000 each fiscal year in NEIP funding.* Oversight notes the DCI asked for a $1,000,000 new decision item from the State Board of Nursing Fund (0635).

<u>§335.205</u>
DHSS also noted §335.205, of proposed legislation, proposes the collection of a nursing education incentive program surcharge in addition to the nurse licensure fees for any initial nurse license and license renewal application to be deposited into the state board of nursing fund.

Officials from the **Department of Commerce and Insurance (DCI)** state that the board projects a 2% increase in licensees each year.

DCI assumes the surcharge only applies to applicants for a license by endorsement. Those numbers could decrease as more states join the nursing compact. Nurses will not need a Missouri license because they are able to practice in Missouri on the license from the other state.

DCI assumes the following:
<u>FY 2024</u>
LPN – Renewal Surcharge - $45,668
LPN – Initial License Surcharge $252
RN – Renewal Surcharge - $0
<u>RN – Initial Licensure Surcharge - $10,200</u>
Total - $56,120

<u>FY 2025</u>
LPN – Renewal Surcharge - $0
LPN – Initial License Surcharge $260
RN – Renewal Surcharge - $1,200,850
<u>RN – Initial Licensure Surcharge - $10,405</u>
Total - $1,211,515

FY 2026
LPN – Renewal Surcharge - $46,582
LPN – Initial License Surcharge $268
RN – Renewal Surcharge - $0
RN – Initial Licensure Surcharge - $10,615
Total - $57,465

DCI Notes:
RNs are currently in renewal so the 120,085 number could decrease for multiple reasons:
- Licensees that retire and do not renew their license.
- Not having to renew due to the added nurse licensure compact states.
-This is the first renewal period since Kansas joined the nursing compact. The board does not know how many RNs that are Kansas residents that will not renew their Missouri license because they do not have to.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the revenues as estimated by the DCI to the Board of Nursing Fund (0635).

§335.212 - 353.242 (Removal)
Officials from the **DHSS** assumes the proposal removes §§335.212 through 335.242 which would eliminate the Nursing Student Loan Program and §§335.245 through 335.257, which would eliminate the Nursing Student Loan Repayment Program.

Additionally, eliminating §§335.212 through 335.257 would eliminate the established Professional and Practical Nursing Student Loan and Nurse Loan Repayment Fund which is also used to collect repayment and fees on any defaulted contracts. This section also gives the authority to the DHSS to institute any action to recover any amount due. Therefore, **the Department may lose the authority to collect on bad debt** from nurses who defaulted on their loans.

Currently, the educational surcharge collected on nurse licensure and licensure renewal applications is expended on administering the Nurse Student Loan (NSL) program and Nurse Loan Repayment Program (NLRP). This fee is based on either the Registered Nurse (RN) or Licensed Practical Nurse (LPN) and the year; the program receives $5 for each RN license during odd numbered years and then $1 from each LPN license during even numbered years. The removal of these sections results in a loss of revenue that is utilized for the NSL program and NLRP. If these funds are not received by DHSS, this would result in a loss of approximately $1,300,000 on odd numbered years and $66,000 on even numbered years.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated loss provided by DHSS to the Nurse Loan Fund.

§191.592 – Graduate medical education grant program
Officials from the **Department of Health and Senior Services (DHSS)** state §191.592 of the proposed legislation adds the requirement that the DHSS establish a graduate medical education grant program to award grants to entities operating graduate medical education programs in Missouri. The amount awarded will need to be sufficient to fund twenty (20) residency slots each fiscal year beginning in FY 2024 through FY 2034; should additional slots or appropriation be made available this amount would increase.

Section 191.592 proposes the establishment of the "Graduate Medical Education Program Fund". The average cost per student for the University of Missouri system is $50,000 per year, however, the university system has three campuses and each have differing costs and those costs are not for medical residents. The fiscal impact analysis includes a minimum of $1,000,000 to $5,000,000 (example of 20 students at $250,000 per student is the cost calculated from another private program) per resident to cover the residency slots and the applicable expenses associated with the graduate medical education entity operating the graduate medical program.

DHSS would be responsible for promulgating all rules and regulations relating to the program and administering the program, which would require creating and reviewing applications, contracts, residency and employment verification forms, making awardee selections, monitoring of entities awarded and monitoring those who receive funding for their residency to ensure all requirements are being met.

To implement this program, the Office of Rural Health and Primary Care would need a minimum of two (2) additional FTE: one (1) Senior Public Health Program Specialist and one (1) Public Health Program Specialist with an average salary within the Division of Community and Public Health (DCPH) of $63,999 and $52,016.

It is assumed that the Division of Administration can absorb the costs of this bill with current resources. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Oversight notes provisions of this proposal (§191.592.2) provide that DHSS shall establish a medical residency grant program to award grants to eligible entities for the purpose of establishing and funding new general primary care and psychiatry medical residency positions and continuing the funding of the new positions for the duration of the funded residency.

For fiscal note purposes, Oversight assumes a residency program is 3 years and that costs for each new cohort of grants could exceed $1,000,000 annually ($50,000 estimate provided by DHSS * 20 residencies = $1,000,000 annually). Therefore, grants for FY 2024 could exceed $1,000,000; grants for FY2025 could exceed $2,000,000 (20 grants for 2nd year of FY2024 awards + 20 grants for FY2025 new awards) and so on. Oversight assumes FY2027 is the first year the grant-funded program is fully implemented as some residency positions will be for four (4) years.

Since entities (colleges and universities) operating graduate medical education programs and receiving the medical residency grants are responsible for paying back grants for unfilled residency positions, Oversight will present $0 to Unknown income transferred from colleges and universities to the Medical Residency Grant Program Fund beginning in FY2025.

Oversight also assumes the DHSS would not need 2 FTE in the first year or two of the program, but as the program continues could require additional FTE as the number of grant recipients increases. Therefore, for fiscal note purposes, Oversight assumes FTE and related costs could exceed the amounts provided by DHSS for the one (1) FTE Senior Public Health Program Specialist. Oversight, however, assumes DHSS would not need additional rental space for 1 new FTE for this single proposal. Oversight notes, depending on the number of proposals passed during the legislative session that, cumulatively, DHSS may need additional rental space or capital improvements as determined by the Office of Administration, Facilities Management, Design and Construction.

In response to the previous version of this proposal, officials from the **University of Missouri System (University)** stated the proposed legislation could have a positive impact for the University of Missouri. The impact amount cannot be determined.

Oversight does not have any information to the contrary. However, Oversight will reflect an unknown positive fiscal impact for colleges and universities as this proposal may encourage more students to enter graduate medical education programs.

This proposal has an emergency clause.

§§192.775, 376.782 & 376.1183 – Provisions Relating to Breast Examinations
Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state that MCHCP is not a health care plan under the definition of 376.1350, therefore this legislation would not apply to MCHCP. Section 104.801 requires MCHCP to follow any law which mandates coverage of specific health benefits, services of providers. Since this legislation is mandating cost share, they assume it does not apply to MCHCP.

However, should it apply to MCHCP, they would estimate that it would have a fiscal impact. In 2021, the last year complete with claims, members spent nearly $270,000 on diagnostic mammograms, breast MRIs and breast ultrasounds. They estimate that MCHCP would have an impact of unknown but greater than $300,000 if the bill would be deemed to apply to MCHCP.

Oversight assumes this legislation does not apply to MCHCP and, therefore, Oversight will reflect a zero impact in the fiscal note for these sections. Oversight inquired with MCHCP if these changes would increase medical insurance rates that would then have to be borne by either the state or covered employees, and MCHCP assumed that it would not increase rates.

Officials from the **Missouri Department of Transportation (MoDOT)** believe this proposal would impact how the medical plan processor (Anthem) applies cost share to these types of claims. As those claim costs are likely to be passed on, this would create a negative fiscal impact.

Currently these types of claims are paid at 90%. Last year, just over $600,000 was paid out for this type of claim. If the plan had to pay 100%, they expect the negative fiscal impact to equal $70,000 to $75,000.

Since it is unknown if these cost will be passed on, **Oversight** will reflect the cost as $0 or the cost estimate provided by MoDOT to the State Road Fund.

Officials from the **Department of Social Services (DSS)** assume this legislation applies to Chapter 376, but does not specifically say that this would apply to MO HealthNet. However, the health plans provide coverage for preventative care, including mammograms, without cost sharing. As a result, this legislation would have no fiscal impact on managed care operations or rates.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS for these sections.

Oversight assumes this proposal could have a fiscal impact to health benefit plans utilized by local political subdivisions and will reflect a $0 or unknown fiscal impact in the fiscal note as a result of this subsection of the proposal.

§208.030 - Home care in licensed residential care facilities shall be subject to appropriation
Oversight notes the DSS Supplemental Nursing Care (SNC) Manual states, "The purpose of the Supplemental Nursing Care (SNC) program is to provide individuals who meet certain requirements with reasonable subsistence compatible with decency and health in accordance with the standards developed by the Family Support Division (FSD). Cash benefits are granted to certain eligible adults residing in licensed skilled, intermediate care, residential care, or assisted living facilities."

In discussions with DSS, **Oversight** learned the 1983 levels of assistance are part of the total state plan agreement with the Centers for Medicare and Medicaid Service (CMS). Although the current monthly SNC rate is $156, the 1983 rate is $120. Should appropriations be insufficient to support 1983 levels, there could be an unknown negative fiscal impact to federal funds. However, as this legislation removes the upper limit for total state payment for home care in licensed residential care facilities, Oversight assumes appropriations will continue to be sufficient to support the 1983 levels of assistance; therefore, Oversight assumes a zero impact in the fiscal note for this agency.

208.035 - Transitional benefits program for TANF and SNAP recipients
Officials from the **Department of Social Services (DSS), Family Support Division (FSD)** state the proposed legislation requires DSS to develop and implement a transitional benefits program

for Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP).

Currently, 7 CFR 273.26 and 7 CFR 273.27(a) provides states the option to provide transitional SNAP benefits to households when they become ineligible for TANF and SNAP benefits simultaneously due to excessive earned income. At this time, SNAP Transitional Benefit Alternative (TBA) could be explored for up to five months at a level equal to the SNAP benefit amount received at the time of their TANF grant termination with adjustment for the loss of the TANF income. SNAP TBA would also require an amendment to the State Plan, which would require at least 6 months for implementation.

However, the provisions of the proposed legislation create a transitional program for all SNAP participants whose income exceeds the income maximum and requires DSS to apply for a waiver.

The maximum gross income limit for SNAP eligibility is currently 130% of the Federal Poverty Level (FPL). SNAP participants become ineligible when their total gross income exceeds the 130% FPL for their household size. SNAP participants whose monthly income has exceeded 130% FPL or $5,822, adjusted for inflation will continue receiving reduced benefits, as described in the legislation until the income reaches or exceeds 200% FPL for their household size.

FSD determined that there would be approximately 8,104 SNAP households per year eligible for transitional benefits. The FSD determined this in the following manner:

During SFY 22, there were 8,104 SNAP cases that closed due to income over 130% FPL and below $5,822 per month and 200% FPL for their household size.

The provisions of this legislation require DSS to gradually step down the beneficiary's monthly benefit proportionate to the increase in the beneficiary's income in the following manner:

- 100% of the monthly benefit for households with income less than or equal to 138% FPL;
- 80% of the monthly benefit for households with income greater than 138% FPL but less than or equal to 150% FPL;
- 60% of the monthly benefit for households with income greater than 150% FPL but less than or equal to 170% FPL;
- 40% of the monthly benefit for households with income greater than 170% FPL but less than or equal to 190% FPL; and
- 20% of the monthly benefit for households with income greater than 190% FPL but less than or equal to 200% FPL.

A household's SNAP allotment amount is based on the income at eligibility determination. The current language of this legislation could increase the allotment amount when a household moves to transitional from regular SNAP eligibility. For the purpose of this fiscal note, FSD assumes that 100% of the monthly benefit means 100% of the maximum benefit for a household, not 100% of the benefit households were receiving prior to moving to transitional benefits. To determine the potential fiscal impact, FSD used the maximum monthly allotment amount of $740 for a household size of 3. It is unknown how much each household that reports increases in income over 130% will be over the income maximum. Therefore, the fiscal impact is determined based on a range of 20% to 100% of the $740 maximum allotment amount for a household of 3. Twenty percent of the maximum allotment amount for households with income greater than 190% FPL but less than or equal to 200% FPL is $148 ($740*.20 = $148) and one hundred percent of the maximum allotment amount for households with income less than or equal to 138% FPL is $740. Therefore, FSD determined the total transitional SNAP benefits per month could range from $1,199,392 ($148* 8,104 = $1,199,392) to $5,996,960 ($740 * 8,104 = $5,996,960). **Annually, the total transitional SNAP benefits is estimated to be $14,392,704 ($1,199,392 * 12 = $14,392,704) to $71,963,520 ($5,996,960 * 12 = $71,963,520).**

Because the provisions of this legislation do not outline income reporting requirements, FSD assumes individuals will be required to complete case reviews at regular intervals. FSD assumes this would result in up to four notices per year per household. Sending out additional notices to these households will result in additional mailing costs. The mailing cost at the bulk mailing rate is $0.52 per notice.

FSD estimates the additional mailing costs will be up to $16,856 (8,104 * 4 * $0.52 = $16,856.32, rounded down) per year.

Therefore, FSD estimates the potential fiscal impact for §208.035 for SNAP is $14,409,560 ($14,392,704 + $16,856 = $14,409,560) to $71,980,376 ($71,963,520+ $16,856 = $71,980,376) in SFY 24. This legislation does not outline any time restrictions to receive the transitional benefits. Therefore, FSD assumes that the population could continue to grow each year. The growth of the population is unknown. **Therefore, the fiscal impact beginning in SFY 25 is estimated to be $14,409,560 – unknown.**

Temporary Assistance for Needy Families (TANF):

Currently, DSS administers a state funded transitional program for TANF cases closed for excessive earned income. This program is named the Transitional Employment Benefit (TEB). Participants can receive TEB for up to six months as long as they remain working during that time. This is authorized under the approved TANF state plan by the Administration for Children and Families (ACF). FSD assumes if the provisions of this legislation are enacted, the new transitional program will replace the TEB program.

However, the provisions of the proposed legislation creates a transitional program for all TANF participants whose income exceeds the income maximum and requires DSS to apply for a waiver.

TANF eligibility is not based on the FPL. TANF eligibility is determined by applying an income test based on a Consolidated Standard Expense. The maximum gross income for TANF is 185% of the Consolidated Standard Expense. TANF participants whose monthly income has exceeded the maximum gross income for TANF or $5,822, adjusted for inflation, will continue receiving reduced benefits, as described in the legislation until the income reaches or exceeds 200% FPL for their household size.

The FSD determined that there would be approximately 2,018 TANF households per year eligible for transitional benefits.

During SFY 22, there were 2,018 TANF cases that closed due to income over the Consolidated Standard Expense and below $5,822 per month and 225% FPL for their household size.

The provisions of this legislation require DSS to gradually step down the beneficiary's monthly benefit proportionate to the increase in the beneficiary's income in the following manner:

- 100% of the monthly benefit for households with income less than or equal to 138% FPL;
- 80% of the monthly benefit for households with income greater than 138% FPL but less than or equal to 150% FPL;
- 60% of the monthly benefit for households with income greater than 150% FPL but less than or equal to 170% FPL;
- 40% of the monthly benefit for households with income greater than 170% FPL but less than or equal to 190% FPL; and
- 20% of the monthly benefit for households with income greater than 190% FPL but less than or equal to 200% FPL.

A household's TANF allotment amount is based on the income at eligibility determination. The current language of this legislation could increase the allotment amount when a household moves to transitional from regular TANF eligibility. For the purpose of this fiscal note, FSD assumes that 100% of the monthly benefit means 100% of the maximum benefit for a household, not 100% of the benefit households were receiving prior to moving to transitional benefits. To determine the potential fiscal impact, FSD used the maximum monthly allotment amount of $292 for a household size of 3.

It is unknown how much each household that reports increases in income over the Consolidated Need Standard will be over the income maximum. Therefore, the fiscal impact is determined based on a range of 20% to 100% of the $292 maximum allotment amount for a household of 3. Twenty percent of the maximum allotment amount for households with income greater than 190% FPL but less than or equal to 200% FPL is $58 ($292*0.20 = $58.40, rounded down) and one hundred percent of the maximum allotment amount for households with income less than or equal to 138% FPL is $292. Therefore, FSD determined the total transitional TANF benefits per month could range from $117,044 ($58*2,018 = $117,044) to $589,256 ($292*2,018 =

$589,256). **Annually, the total transitional TANF benefits is estimated to be $1,404,528 ($117,044*12 = $1,404,528) to $7,071,072 ($589,256*12 = $7,071,072).**

Because the provisions of this legislation does not outline income reporting requirements, FSD assumes individuals will be required to complete case reviews at regular intervals. FSD assumes that this would result in up to four notices per year per household. Sending out additional notices to these households will result in additional mailing costs. The mailing cost at the bulk mailing rate is $0.52 per notice.

FSD estimates that the additional mailing costs will be up to $4,197 (2,018*4*$0.52 = $4,197.44, rounded down) per year.

Therefore, FSD estimates potential fiscal impact for section 208.035 for TANF is $1,408,705 ($1,404,528 + $4,197 = $1,408,705) to $7,075,269 ($7,071,072+ $4,197 = $7,075,269) in SFY 24. This legislation does not outline any time restrictions to receive the transitional benefits. Therefore, FSD assumes that the population could continue to grow each year. The growth of the population is unknown. **Therefore, the fiscal impact beginning in SFY 25 is estimated to be $1,408,705 to unknown.**

SNAP and TANF:

FSD will require additional FTE to process case reviews at regular intervals as a result of the implementation of the transitional SNAP and TANF programs. FSD assumes regular intervals is defined as two case reviews per year. For the purposes of this fiscal note, FSD makes the assumption that those eligible for the SNAP transitional program that also had been receiving TANF, would also be eligible for the TANF transitional program and the reviews would be completed at the same time. FSD estimates it takes approximately 30 minutes to complete a case review for a total of 1 hour per case per year. Therefore, FSD estimates it will take 8,104 hours per year to complete case reviews of the transitional cases. Based on 2,080 working hours annually, **4 Benefit Program Technicians** (8,104/2,080 = 3.9, rounded up), **1 Benefit Program Supervisor** (4/10 = 0.4, rounded up), and **1 Program Coordinator** (1/10 = 0.1, rounded up), for a **total of up to 6 FTE** (4 + 1 + 1 = 6) are needed to implement the provisions of 208.035.

FSD currently utilizes a third party vendor to administer SNAP and TANF benefits. The current EBT vendor estimates the necessary programming changes will cost approximately $8,000 per year.

There are currently no state plan options for SNAP or TANF that would allow the state to implement the provisions of this legislation. DSS would request waivers from the Food and Nutrition Services (FNS) for SNAP and ACF for TANF. FSD assumes that if the waiver requests are not approved by the federal partners, the provisions of this legislation will not be implemented. **If it is determined that the provisions of this legislation will be implemented without waiver approval, an appropriation of General Revenue (GR) will be required to fund the program.**

FSD defers to OA- ITSD for system changes necessary to implement the provisions of this section.

Officials from the **Department of Social Services (DSS), Division of Legal Services (DLS)** state, because DLS conducts administrative hearings for the public assistance programs, the creation of new transitional programs for temporary assistance for needy families (TANF) and the supplemental nutrition assistance program (SNAP) will require additional resources for the administrative hearings unit. Based on the enrollment for these transitional programs anticipated by the Family Support Division, DLS will require one (1) additional FTE hearing officer to implement this legislation.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DSS, DLS. Oversight notes that in the previous version, DSS presented the DLS FTE costs as 50% GR; 50% Federal. DSS now states this cost would be claimable for reimbursement, but if the waivers needed are not approved, then the costs for implementing this piece would be 100% GR. Therefore, Oversight will reflect this expenditure as follows:

FY24: $108,324 ($54,162 to $108,324 GR; $0 to $54,162 Federal)
FY25: $127,386 ($63,693 to $127,386 GR; $0 to $63,693 Federal)
FY26: $128,672 ($64,336 to $128,672 GR; $0 to $64,336 Federal)

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state updates to the Family Assistance Management Information Systems (FAMIS) would be required for this section.

To include transitional benefits for the SNAP program would involve changes to the core eligibility determination process and also involve changes to the payroll process. The system needs to change the way case closings are handled today and this not only impacts the benefits processing modules, but also the downstream functionalities like Forms & Notices processes currently in place. Significant income eligibility determination changes are needed to implement the requirement to "gradually step down the beneficiary's monthly benefit proportionate to the increase in the beneficiary's income".

The same change above for the TANF program is simpler than that for SNAP and involves changing the existing transitional benefits rules.

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for FAMIS are estimated at $95/hour. It is assumed the necessary modifications for SNAP and TANF will require 583.20 hours for a cost of $55,404 (583.20 * $95), split 50% GR; 50 % Federal.

Therefore, the total FAMIS upgrades will cost $55,404 ($27,702 GR; 27,702 Federal) in FY 24 and ongoing costs are estimated at $11,358 ($5,679 GR; $5,679 Federal) in FY 25; $11,642 ($5,821 GR; $5,821 Federal) in FY 26 and $11,934 ($5,966 GR; $5,966 Federal) in FY 27.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the OA, ITSD/DSS.

§208.053 - Changes to child care and transitional child care benefits
Officials from the **Department of Elementary and Secondary Education (DESE)** state the Child Care and Development Fund (CCDF) requires that families meet the eligibility requirements as stated in 45 CFR 98.21 in order to qualify to receive child care benefits. Implementation of this bill would conflict with these regulations and would therefore require the department to use other funds (e.g. general revenue) to pay for this child care subsidy benefit.

Based on the 2020 census:
- There are approximately 217,943 children between the ages of 0 to 2 years; 149,635 children ages 3 to 4 years; and 690,022 children ages 5 to 13 years in Missouri;
- 66% of MO children have all parents in the household that work meaning that there is a need for care.

The base rate for child care in MO is:
- Children ages 0 to 2 years = $31.42/day
- Children ages 3 to 4 years = $23.18/day
- Children ages 5 to 13 years = $18.89/day

DESE is unable to calculate a cost for Section (a) as eligibility less than 150% of the federal poverty level is federally required to be covered under the traditional child care subsidy program. **The cost for (b), (c), and (d) is as follows: $123,341,920.** This will need to be funded by general revenue as entry into the Transitional level of benefit is not allowable use of federal child care funds, and payment based on a percentage of the total daily rate is not in accordance with federal guidelines.

(a) Eighty percent (80%) of the state base rate, the federal poverty level of one hundred fifty percent (150%) is the Traditional subsidy level for full benefits that the state pays one hundred percent (100%) per the federal subsidy program.

(b) For the sixty percent (60%) of the state base rate, the federal poverty level 151 to 170 percent results as follows:
- Infants/Toddlers
    - 3,458 children x $9,100/year x .60 = $18,880,680
- Preschoolers
    - 2,375 children x $6,500/year x .60 = $9,262,500
- School Age
    - 10,953 children x $5,200/year x .60 = $34,173,360
- **Total cost for 60% level is $62,316,540**

(c) For the new forty percent (40%) of the state base rate, the federal poverty level 171 to 190 percent results as follows:

- Infants/Toddlers
  - 3,418 children x $9,100/year x .40 = $12,441,520
- Preschoolers
  - 2,347 children x $6,500/year x .40 = $6,102,200
- School Age
  - 10,824 children x $5,200/year x .40 = $22,513,920
- **Total cost for 40% level is $41,057,640**

(d) For the new twenty percent (20%) of the state base rate, the federal poverty level 191 to 220 percent results as follows:

- Infants/Toddlers
  - 3,325 children x $9,100/year x .20 = $6,051,500
- Preschoolers
  - 2,284 children x $6,500/year x .20 = $2,969,200
- School Age
  - 10,526 children x $5,200/year x .20 = $10,947,040
- **Total cost for 20% level is $19,967,740**

Total cost for Transitional levels b, c, d = $123,341,920

This estimate does not include any estimates for children being served by subsidy currently. This cost would be an additional cost to the current subsidy system.

Oversight notes, that after further review of the proposal, the Office of Childhood updated their estimate of fiscal impact for (d) level benefits from the previous version.

DESE states that in 2022, DESE requested a waiver from ACF to be able to use CCDF dollars to pay for tier of transitional benefits but was denied. Because the department would not be able to use CCDF funding, the money for this level of transition would need to be funded through other funds (e.g. general revenue).

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DESE for the child care transitional benefits program.

DESE states adding another level of transition could more than double the number of children being served. In order to manage the increase in applications, payments and reporting for services, the Office of Childhood would need a minimum of 21 additional staff:

- Twelve (12) additional Benefit Program Technicians.
- Two (2) Administrative Support Assistants.
- Four (4) Program Coordinators.
- Two (2) Program Managers.

• One (1) data collection staff person to manage the increase in applications, payments, and reporting for services.

Oversight does not have information to the contrary. DESE submitted a range of FTE in their fiscal impact:

• 10 - 12 additional Benefit Program Technicians.
• 1 - 2 Administrative Support Assistants.
• 3 - 4 Program Coordinators.
• 1 - 2 Program Managers.
• 1 data collection staff person to manage the increase in applications, payments, and reporting for services.

Oversight notes, while this proposal expands access to the child care subsidy program, the lack of workforce in the child care industry has short- and long-term implications on the ability for the department to implement the increased access. Without adequate child care facility staff to work in child care programs, there will likely be waiting lists for families to receive care.

Therefore, **Oversight** assumes there may be a shortfall of supply in relation to the demand of child care services created by this proposal, thereby limiting the overall size of the program. Therefore, Oversight will reflect the low end of the range for staffing estimates as provided by DESE as: “Could exceed ($1,190,009)” in FY 2024; “Could exceed ($1,334,648)” in FY 2025; “Could exceed ($1,346,031)” in FY 2026.

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DESE** state updates to the Child Care Data System (CCDS) would be required.

This bill proposal includes childcare subsidy and substantial changes to be known as "Low-Wage Trap Elimination Act" and as "Hand-Up Program", and transitional childcare benefit calculations and allowances, as well as the "state base rate". The Office of Childhood, which is part of DESE, would be affected.

OA, ITSD/DESE makes the following assumptions:

- The Office of Childhood has the jurisdiction and ability to calculate childcare subsidy benefits and rates.

- The systems and applications needed to allow the Office of Childhood to make such benefits possible, are in place and in working order according to laws and governance.

- The Missouri Department of Revenue and Missouri Department of Social Services are able to meet their requirements in the proposal, not limited to the sharing of necessary data, securely and timely. As many of the Office of Childhood systems and applications are in the process of being stood-up, it is unknown where this functionality and/or changes fit best.

- One of the many applications/systems being built for the Office of Childhood, covers the basis of the childcare subsidy program including qualifications, award, and redeterminations. These programs would be new to that application/system, currently in the vendor procurement process - Child Care Data System (CCDS).

OA, ITSD/DESE assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for CCDS are estimated at $95/hour. It is assumed the necessary modifications will require 1,188 hours for a cost of $112,860 (1,188 * $95) in FY 2024. Ongoing support is estimated at $23,136 in FY 2025; $23,714 in FY 2026 and $24,915 in FY 2028.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by ITSD/DESE for fiscal note purposes.

§208.066 – Combination of application for SNAP, TANF, Child Care and MO HealthNet
Officials from the **DSS, Family Support Division (FSD)** state §208.066 adds a requirement that DSS limit any application for the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families program (TANF), the child care assistance program, or MO HealthNet to a one-page form that is easily accessible on the DSS website. In addition, DSS is required to cooperate with the Department of Revenue (DOR) to allow any renewal for SNAP, TANF, child care assistance, or MO HealthNet to be attached to the Missouri state tax form.

FSD administers eligibility for SNAP, TANF, Child Care Subsidy, and MO HealthNet programs. Department of Elementary and Secondary Education (DESE) administers the development of applications for the Child Care Subsidy program. FSD develops applications for the remaining programs.

FSD could create a one-page applications for the SNAP and TANF programs. These forms would functionally preserve an application filing date only, as a one-page form would not capture all of the information federally required to determine eligibility for these programs. FSD would need to follow up with each applicant to obtain the required information to determine eligibility, which could require additional staffing. If FSD is unable to get in contact with the applicant to obtain the necessary information to process the application within the established processing deadline of 30 days, the application will be denied and the individual would have to reapply for benefits.

The federal Medicaid program has developed a single streamlined application that states are required to utilize or, subject to federal approval per 42 CFR 435.907, states may develop an alternative application that require CMS approval. The current applications for MO HealthNet programs are CMS approved alternative applications that exceed one page in length. Based on the approval process for the current applications, FSD assumes CMS would not provide approval for a one-page application for MO HealthNet programs.

DSS has consulted with a contractor to implement a combined simplified application process in Missouri for the programs identified in this legislation. This application is subject to approval and has not been approved by federal partners at this time. Upon implementation, this application will be available on the DSS website and if the provisions of this legislation are enacted, DSS will make this available for posting on the DOR website.

Currently, DSS is in the process of implementing SNAP into the Missouri Eligibility Determination and Enrollment System (MEDES) and upon implementation, there will be a joint SNAP and MO HealthNet streamlined application available on the citizen portal.

FSD will continue to make SNAP, TANF, Child Care Subsidy, and MO HealthNet applications available on the DSS website, as required in this legislation.

42 CFR 435.916 requires that FSD must send a pre-populated review form to all MAGI based MO HealthNet households that contains all eligibility information regarding the recipients that is known to FSD. Therefore, based on federal guidelines, MAGI based MO HealthNet review forms could not be made available on either DSS or DOR websites as required in this legislation due to the confidential information included in each pre-populated form. In addition, 42 CFR 435.916 requires that FSD must make a redetermination of eligibility without requiring information from the individual if able to do so based on available information to the agency. Before sending the pre-populated review forms to MO HealthNet participants, FSD accesses electronic data sources to attempt to complete the annual review from available information. If FSD is able to make a redetermination of eligibility based on available information, the eligibility determination is completed without requiring information from the participant and the pre-populated form is not sent out to participants. However, DSS could make a fillable MAGI review form available on the DSS and DOR websites for participants.

The Child Care Subsidy program does not allow for a periodic review of eligibility to be completed to continue eligibility. Participants **must** complete a new application at the end of the certification period.

SNAP periodic eligibility reviews are completed through a mid-certification review in the middle of the certification period. Mid-certification reviews are completed at 6 months for non-elderly and disabled households with a 12 month certification period and at 12 months for elderly and disabled households with a 24 month certification period.

TANF periodic eligibility review forms are completed once every 12 months, based on the most recent approval date.

DSS will coordinate with DOR to allow any renewal for SNAP, TANF and MO HealthNet to be attached to the Missouri state tax form. Based on discussions with DOR, FSD assumes that this legislation would apply only to mail in tax forms. FSD renewal forms will continue to be available on the DSS website for individuals to print and submit in paper form to the DOR. FSD will coordinate with DOR to receive any renewal forms that are submitted with the Missouri tax form.

Although much of the same information is collected for each program, periodic reviews for each program are based on the most recent approval date for the individual program type and are not always due at the same time. This legislation allows individuals to submit a renewal form if it is due at the same time as their state tax return. However, any individual could submit a renewal form through the process established in this legislation. Therefore, FSD may receive an additional influx of renewal forms when the periodic eligibility review form is not due. Any additional review forms received outside of the periodic eligibility review would require review of the data for any programs the individual participates in. For the periodic review forms that are due when submitted with the state tax form, DSS assumes the processing time allotted to DSS employees will lessen due to the time it will take for DOR to receive the forms, identify them, and forward them to DSS. FSD will need additional FTE to process additional review forms received with less time to complete the eligibility determination.

It is unknown how many SNAP, TANF, and MO HealthNet participants may submit the periodic eligibility review form with their Missouri state tax form. According to DOR, for the tax filing year 2021, 13% of Missouri tax filers submitted their returns via mail. For the purposes of this fiscal note, FSD applied this percentage to the total current Missouri SNAP, TANF, and Medicaid caseload as of October 2022 of 856,744 cases and estimated approximately 111,377 (856,744 * 0.13 = 111,376.72, rounded up) of the Missouri public assistance cases file tax returns by mail. FSD calculated the monthly average of 9,281 (111,377/12 = 9,281.4166, rounded down). FSD assumes individuals will submit these forms from January through April 15th of each year. Therefore, it is estimated that 0 to 32,484 (9,281 * 3.5 = 32,483.5, rounded up) may submit their periodic eligibility review form with their taxes.

For the up to 32,484 cases identified, FSD estimates it will take an average of 30 minutes per case, for a total of 16,242 hours (30 minutes * 32,484 cases = 974,520 minutes/60 minutes = 16,242 hours). Based on 2,080 working hours annually, **8 Benefit Program Technicians** (16,242/2,080 = 7.8, rounded up), **1 Benefit Program Supervisor** (8/10 = 0.08, rounded up), and **1 Program Coordinator** (1/10 = 0.1, rounded up), for a total of **up to 10 FTE** (8 + 1 + 1 =10) needed to implement the provisions of this legislation.

FSD assumes a one-time mailing cost will be incurred for a notice of changes to SNAP, TANF, and MO HealthNet programs as outlined in this response. **The mailing costs for a one-time notice for each case at the bulk mailing rate of $0.52 would be $445,507** (856,744 * $0.52 = $445,506.88, rounded up).

FSD estimates the fiscal impact will be the one-time mailing costs of $445,507 in SFY 2024 and up to 10 FTE if the provisions of this legislation are enacted.

Oversight does not have information to the contrary. Oversight notes FSD must also meet the federal regulations regarding timeliness of application and renewal processing under 7 CFR 273.2(g) for normal SNAP application/renewal processing; 7 CFR 273.2(i) for expedited SNAP application processing; and 45 CFR 201.10(a)(3) for TANF application/renewal processing. Therefore, Oversight will reflect the estimates as provided by DSS/FSD. Given the potential increased submission of applications and renewals over a brief time and the federal rules regarding timely processing, Oversight will reflect the FTE estimates and one-time mailing costs as provided by DSS/FSD.

Officials from **OA, ITSD/DSS** state updates to the FAMIS application would be required for this section.

There is no change in FAMIS for the one page initial application on the DSS website. However, there is no interface in place currently to allow a review form to be submitted with a tax return. FAMIS might have to factor in time for system changes to build a data exchange functionality with the Department of Revenue (or) this must be linked with the above one page initial application.

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for FAMIS are estimated at $95/hour. It is assumed the necessary modifications for this section will require 436.32 hours for a cost of $41,450 (436.32 * $95), split 50% GR; 50 % Federal.

Therefore, the FAMIS upgrades for this section will cost $41,450 ($20,725 GR; $20,725 Federal) in FY 24 and ongoing costs are estimated at $8,496 ($4,248 GR; $4,248) in FY 25; $8,710 ($4,355 GR; $4,355 Federal) in FY 26 and $9,150 ($4,575 GR; $4,575 Federal) in FY 28.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by ITSD/DSS for fiscal note purposes.

Officials from the **Department of Revenue (DOR)** state this proposal requires the Department of Social Services (DSS) to make the initial application that clients complete to receive benefits under the SNAP, TANF, child care assistance or medical assistance or health insurance programs a one-page application form. This provision will not fiscally impact the Department of Revenue (DOR) and they deferred to DSS to determine if this one page form is possible.

This proposal in Section 208.066.2 requires DSS to also make the periodic eligibility review forms for those same programs a one page form. Additionally, these one page periodic eligibility review forms are to be put on DOR's website. Adding these forms to their website will not have a fiscal impact. DOR defers to DSS to determine if this one page form is possible.

This proposal also allows the DSS clients receiving benefits under the previously listed programs to mail their periodic eligibility review forms as an attachment to their Missouri state tax form. In discussions with DSS, DOR was made aware that the periodic eligibility review forms are currently multiple pages each and that several attachments are required to be provided to DSS by the clients. Much of the information on the forms is required by the federal government. DOR notes that even if DSS makes these a one page review form, the attachments may still be required to be submitted. For purposes of the fiscal note, DOR assumes 3 pages for each form received (1 application page + 2 supporting document pages).

These forms are due annually when a client needs to renew their benefits as well as throughout the year if the clients have had a change in their circumstances. Per information on the DSS website, the SNAP renewal must be done 6 months after initial applications and annually thereafter, generating additional potential forms.

DSS informed DOR they have approximately 856,744 unique cases that receive benefits from DSS. Many of those cases have participants that receive benefits from more than one DSS program (such as SNAP and MO HealthNet). Therefore DOR has the potential of receiving more than the 856,744 forms annually. DOR estimates that up to 5,140,464 pages of forms could potentially be sent to DOR. (856,744 clients * 3 supporting documents per renewal * 2 programs per client)

This proposal says DSS clients can attach their review form(s) to their Missouri state individual income tax return. This proposal now requires that the DSS participants will only be allowed to submit their review forms with their individual income tax return. Should they be allowed to attach to any of their other forms this will result in additional costs not identified in this fiscal note.

This proposal implies that DOR would receive these review statements on behalf of clients and then give them to DSS. However, due to the rules established by the IRS regarding taxpayer private information and due to the confidentiality laws under §32.057, any documents received with a tax return are considered confidential and DOR is prohibited from sharing. It is unclear how DOR could provide these review documents to DSS or what DOR is to do with them.

Regardless of the confidentiality question, DOR will provide the fiscal impact of processing and providing these forms to DSS, for determining the fiscal impact only.

DOR receives over 3.2 million individual income tax returns annually. DOR notes that approximately 90% of those individual income tax returns are received electronically or on a scannable paper return. The Department assumes it would need to convert the DSS forms to an electronic format so DOR can continue to receive documents electronically. This is estimated to cost **$10,000 per form type**.

Additionally, DOR will need to notify electronic filing vendors of the need to upgrade their systems to allow for the DSS forms and attachments to be submitted. Plus DOR will need to upgrade the computer system and scanners to read these new forms. DOR's costs are estimated at **$100,000 for all the upgrades**.

If a customer were to attach the DSS document to an electronically filed tax return, DOR would be required to locate and print the documents out of their electronic filing system. The search would need to be done manually by a DOR employee who would have to review each page of the return in the system, looking for the DSS attachments. Then DOR would need to manually print off the DSS documents to be transferred to DSS. For customers who file their tax return on paper, DOR anticipates that processing staff will pull these documents out as they open and sort the mail. This will require an increase in DOR's average temporary staffing needs as the mail opening process will be slowed down to look through each document to discover the DSS forms and separate them for transfer to DSS.

During the busy tax filing season of February to May, DOR estimates needing 96 additional temporary staff ($12,750) to locate and print these documents. This would increase DOR's annual salary costs for temps by $1,224,000 annually. DOR currently has 2 shifts of temporary staff and assume may potentially be able to run a third shift which would allow DOR to need equipment for 24 which includes tables ($250), chairs ($719) and computers ($1,531).

DOR notes that annually they bring on a large group of temporary staff to help process the 3.2 million returns received from January 1st to April 15th. DOR is currently budgeted for 65 daytime and 50 night time temporary staff (115) but only have 74 positions filled this year. Like most state agencies, DOR has trouble filling not only their full-time employee positions but their temporary staff positions. If DOR is unable to fill their current positions this will strain their already burdened staff.

DOR notes that should taxpayers stop electronically filing their tax return and send them by paper in order to file their DSS forms, it would transfer the temporary staff to handle the load. DOR will need another 5 Associate Customer Service Representatives ($31,200) to supervise and assist the temporary employees and to handle the volume of returns once the temporary employees leave. Due to the staffing shortages throughout the DOR, they believe they can move equipment around and provide for these staff members.

Additionally, DOR will need printers, paper and ink to print the documents for DSS. DOR contracts out for printers and ink. DOR is in the process of renegotiating current contracts. DOR estimates the need for several more printers to handle this proposal. Additionally, DOR will need the paper to print all these documents. DOR purchases them at $41 per case based on the price of a truckload. They buy paper 840 cases at a time. Therefore this will have an estimated impact of **$34,440 (840 cases * $41 per case)**.

DOR notes that while this proposal appears to help the clients of DSS to save postage with mailing all their state owed documents to one place, it has the potential to do more harm to the state and clients. Allowing these forms to go to DOR before DSS, will not only increase DOR's processing times for individual income tax returns, but it will slow down their issuing of refunds. Sending the documents to DOR first, may potentially result in the forms not being received by DSS prior to the recipient's benefits expiring, which would negatively impact the clients. Additionally, when the processing of the returns is slowed down, the refunds are slowed down and the potential for increased interest payments is greater. All taxpayers could be negatively impacted by delayed refund payments.

This proposal has the potential to increase confusion as to where a DSS client's forms are. Clients may call DOR's call center looking for their forms, when they have been transferred to DSS. This could impact DOR's ability to help taxpayers, if this generates additional calls and wait times. Additionally, should DOR be required to mail copies of the periodic review forms to taxpayers who request them from their call center staff, then they will have mailing costs. Those costs are unknown at this time.

Based on current hiring trends DOR anticipates difficulties in hiring the number of temporary staff needed to perform these functions. If the staffing cannot be hired, then all return processing will slow down, which will delay refund processing and increase the interest payments made.

Oversight does not have information to the contrary. Oversight assumes delayed refund processing could result in a minimum of $100,000 in interest payments. Therefore, Oversight will reflect the estimates as provided by the DOR with an additional **"Unknown to could exceed $100,000"** annually in expenditures for this section of the proposal.

§208.146 – Changes to the Ticket to Work Health Assurance program
Officials from the **Department of Social Services (DSS), Family Support Division (FSD)** state this proposal changes the income disregards and countable assets of the current Ticket to Work Health Assurance program. The act removed the current gross and net income maximums and changes the total income test after deductions to 250% of the federal poverty level (FPL). The first $50,000 per year of the earned income of the disabled worker's spouse would be included in the deduction to income prior to the 250% FPL test in addition to these current deductions; a twenty dollar standard deduction, health insurance premiums, a seventy-five dollar a month standard deduction for optical and dental insurance when the premiums are less than seventy-five dollars, all supplemental security income and first fifty dollars of social security disability income, and a standard impairment-related employment deduction of one-half of the disabled worker's earned income. The act also excludes all retirement accounts in consideration of assets and keeps the current asset limit of $5,301.85 for an individual and $10,603.70 for a couple. Resources exempted from inclusion in the asset limit are: medical savings accounts valued less than $5,000 per year; independent living account annual deposits and earnings under $5,000 per year; and retirement accounts.

FSD determined there would be 13,628 individuals eligible for this program already receiving some type of MO HealthNet benefits. FSD determined these individuals by identifying the current population who meet the new eligibility parameters described in the proposal. This population includes the 2,144 current Ticket to Work Health Assurance program eligibles, 10,966 individuals receiving other MO HealthNet benefits and 507 receiving Qualified Medicaid Beneficiary/ Specified Low-Income Medicare Beneficiary (QMB/SLMB) only. Because these QMB/SLMB only cases do not currently receive full MO HealthNet benefits, any new cases resulting from that population are included in the calculation of new eligibles.

FSD determined there will be 523 new MO HealthNet cases eligible for the MO HealthNet TWHA program if the income and countable asset eligibility are changed as proposed.

FSD arrived at 523 new cases in this manner:

The data collected to determine the number of individuals assumed to be eligible include all individuals age 16 to 64, employed with taxes withheld from their income, and income after deductions under 250% of Federal Poverty Level (FPL). The income was determined by deducting the first $50,000 of the disabled worker's spouse's income, all SSI payments and all of any other individual's income in the household. FSD was not able to also include the other applicable deductions in the calculation due to system limitations.

In FY 2022, FSD closed or rejected (due to excess resources over $5,301.85 for an individual and $10,603.70 for a couple, including retirement funds as countable assets) 101 MO HealthNet for Aged, Blind and Disabled (MHABD) applications of employed individuals, age 16 to 64, claiming a disability. Of those, 16 individuals had income after deductions (using the parameters explained above) of less than 250% FPL. Fifteen (15) of these individuals would be eligible for the TWHA program at a non-premium level while one (1) would be eligible at a premium level.

Total New Cases from MHABD Rejections:
15 (non-premium)
<u>1 (premium)</u>
16 Subtotal

FSD would also see an increase in eligibles from the QMB/SLMB population due to the change in countable assets. In FY 2022, there was an average of 2,315 QMB persons. Of these, 178 individuals would be eligible for the TWHA program. 169 of these individuals would be eligible at a non-premium level, while 9 would be eligible at a premium level.

Total New Cases from QMB:
169 (non-premium)
<u>9 (premium)</u>
178 Total

In FY 2022, there was an average of 5,408 SLMB persons who would meet the current resource limits if the changes in countable assets are implemented. Of these, 329 would be eligible for the TWHA program. 136 of these individuals would be eligible at a non-premium level.

Total New Cases from SLMB:
193 (non-premium)
<u>136 (premium)</u>
329 Total

Total New Cases from QMB and SLMB:
178 (QMB)
329 (SLMB)
507 New Cases Total

FSD anticipates a potential increase in applications as a result of the change in types of countable resources and changes in income calculations. These applications would come from a previously unknown population who currently choose not to apply due to the current countable resource inclusions and/or income guidelines.

FSD previously reported the number of Missouri individuals age 19 to 64, who are uninsured/not on MHN, who claim a health problem limiting work, who are employed, have income between 101% - 200% FPL, but are not married. According to the most recent U.S. Census Bureau data, there are zero individuals in this population.

Total New MO HealthNet Cases:
16 (MHABD rejections/closures)
178 (QMB)
329 (SLMB)
523 New Cases Total

Under Amendment 2, Missouri Constitution Article IV, Section 36(c), effective July 1, 2021, DSS extended MO HealthNet coverage to persons age 19-64 with income under 138% of the federal poverty level, known as the Adult Expansion Group (AEG). FSD assumes all new individuals eligible for this program are ineligible for AEG due to receipt of Medicare, SSI, or income greater than 138% of the federal poverty level as the deductions for the Ticket to Work Health Assurance Program outlined in the provisions of this legislation are not allowable in AEG eligibility guidelines.

FSD assumes existing staff will be able to complete necessary additional work as a result of this proposal.

FSD assumes the Office of Administration (OA), Information Technology Services Division (ITSD)/DSS will include the Family Assistance Management Information System (FAMIS) programming costs for the system changes as well as the system-generated notice needed to implement provisions of this bill in their response.

Therefore, there is no fiscal impact to the Family Support Division.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for FSD.

Officials from the **DSS, MO HealthNet Division (MHD)** stated FSD provided MHD with data on eligibles who would qualify for the TWHA program provisions under this bill. Out of these eligibles, there are two groups: Those who currently receive MO HealthNet benefits under a different eligibility category; and those who are not currently receiving MO HealthNet benefits and would be new eligibles.

There are 13,617 eligibles who meet eligibility requirements to receive MO HealthNet benefits that also meet the new eligibility parameters described above. Out of the 13,617 eligibles, 2,144 are currently in the TWHA program. That leaves 11,473 (13,617 – 2,144) eligibles who could switch to this new program. Out of the 11,473 eligibles, there are 9,579 that would not switch (i.e. no regular source of earned income, already receive full medical coverage, etc.). In addition, there are 178 individuals that currently receive full MO HealthNet benefits as dual eligibles (QMB only) that would not switch. That leaves **1,716** (11,473 – 9,579 – 178) eligibles that could switch.

Out of the 1,716 eligibles, 498 qualify under the "non-premium" will likely enroll in the modified Workers with Disabilities program because they don't currently meet spenddown; 330 non-premium will be added because they are only receiving limited medical benefits under Medicare now (SLMB and (Qualifying Individuals (QI) only); and 891 (356 non-premium and 535 premium) who currently meet spenddown. MHD assumes all individuals who currently meet spenddown that qualify for the non-premium program (0-100%) would switch over to avoid paying spenddown. MHD further assumes those that currently meet spenddown and qualify for the premium program would likely switch because paying the annual premium (4% to 6% of income) would be more affordable than meeting spenddown. However, the 891 individuals who meet spenddown receive full Medicaid coverage now. **Therefore, the only costs MHD includes in this estimate for this group are their spenddown amounts as MO HealthNet would now cover the costs of these services in lieu of the individual.**

FSD also identified 723 (488 non-premium and 235 premium) newly eligible individuals that are not receiving MO HealthNet benefits. Of those 723 individuals, 529 have already been identified as SLMB and QI individuals and 178 are QMB individuals that currently receive full MO HealthNet benefits as dual eligibles that wouldn't switch, which leaves 16 individuals that are not receiving MO HealthNet benefits. Due to this legislation, there are also 827 (437 non-premium and 390 premium) participants that will switch because they don't meet the spenddown now, or will add the TWHA program because they are getting limited Medicare now. This brings a grand total of 843 [452 = (15 + 437) non-premium, and 391 = (1 + 390) premium] participants that could be added.

An annual cost per person was calculated for the premium for personal care services ($959) and nonemergency medical transportation (NEMT) ($296) using FY 22 TWHA expenditures. Also, an annual cost per person was calculated for the non-premium for personal care services ($995) eligibles using FY 22 TWHA expenditures.

The cost for new premium eligibles is $603,831 [(personal care plus NEMT average cost) * 481 possible premium participants added].

There are 438 additional eligibles who would switch for a total cost of $1,921,639. The 97 premium eligibles would have to pay a premium. MHD calculated a total savings of $1,233,280 from premium payments and QI/SLMB savings. The total cost for the premium group would be **$2,490,618** (Cost for new premium eligibles + Spenddown eligibles – Premium collections – SLMB and QI savings).

	$603,831	Cost for new premium eligibles
+	$3,120,067	Spend Down eligibles from TWHA population
-	$788,050	Premium collections
-	$445,230	QI/SLMB savings
	$2,490,618	**Total cost for premium group**

The costs for new non-premium eligibles is $560,128 (average cost * 563 possible non-premium participants added). There are 356 spenddown eligibles who would switch for a total cost of $619,437. The total cost for non-premium eligibles is **$578,009** (Cost for new eligibles + Spenddown eligibles – SLMB and QI savings).

	$560,128	Cost for new non-premium eligibles
+	$619,436	Spend Down eligibles
-	$381,908	SLMB
-	$219,647	QI savings
	$578,009	**Total cost for non-premium group**

The total cost for the premium and non-premium groups is **$3,068,628 ($2,490,619 + $578,009)**. This estimate includes costs for services provided by DHSS. MHD assumed a portion of these costs would be funded through other funding sources. To calculate the FY 24 cost, it is assumed there would only be 10 months of expenditures.

The proposed legislation is only including services for Personal Care and NEMT. If the proposed legislation passes, a waiver would need to be required to only have these services be covered.

Also, an update to the MMIS system would be needed due to limiting these individuals to only include Personal Care and NEMT services. An estimated cost for this update would be $126,000.

For FY 24, MHD further assumed new eligibles would phase in, with 1/10 of the annual total adding to the program monthly. Beginning in FY 25, all eligibles are fully phased in.

For **new** non premium members, the annual total number of participants is estimated to be phased in at the end of ten months is 925. With phase in at 1/10 of this total per month (925 * 1/10 = 92.5 individuals), MHD expects a cumulative effect of all new non premium participants phased in (92.5 in month 1; 185 in month 2; etc.) by the close of FY 24 for a cost of $421,796.

Total cost for the non-premium group in FY 24 is estimated to be $762,951:

$516,197 = ($619,437/12) * 10 (Spend Down eligibles from TWHA)
+ $421,797 (New non premium eligibles)
- $175,041 (Cumulative Medicare premium payments for new non premium eligibles)
$762,951 Total costs for non-premium eligibles in FY 24

For **new** premium members, the annual total number of participants is estimated to be phased in at the end of ten month is 625. With phase in at 1/10 of this total per month (625 * 1/10 = 62.5 individuals), MHD expects a cumulative effect of all premium participants phased in (62.5 in month 1; 125 in month 2; etc.) by the close of FY 24 for a cost of $274,800.

$1,601,366 = ($1,921,639/12) * 10 (Spend Down eligibles from TWHA population)
+ $988,394 = ($1,186,073/12) * 10 (Other Spend Down eligibles)
- $252,434 = ($302,921/12) * 10 (Loss in premium collections from current eligibles)
+ $274,800 (Cumulative cost for new premium eligibles)
- $122,43 (Cumulative Medicare premium payments for new premium eligibles)
- $222,373 (Total estimated premium collections)
$2,267,314 Total costs for premium eligibles in FY 24

The total cost of the new program eligibles in FY 24 is estimated at $2,109,667 ($1,983,667 cost for new eligibles and $126,000 for MMIS updates).

A 5.47% inflation factor was used to calculate the total cost for FY 25 and beyond. Until the FY 24 budget is finalized, specific funding sources cannot be identified.

The total costs including MMIS changes for this legislation are:

FY 24 (10 months):	Total: $3,156,266 ($1,194,267 GR; $1,961,999 Federal)
FY 25:	Total: $3,234,334 ($1,234,050 GR; $2,000,283 Federal)
FY 26:	Total: $3,408,988 ($1,293,424 GR; $2,115,564 Federal)

Oversight does not have information to the contrary. However, Oversight notes the program expires on August 28, 2025. Therefore, Oversight will reflect the estimates as provided by MHD with only 2 months of program costs for FY 2026.

DSS officials provided the response from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS**. Officials from OA, ITSD/DSS state the bill will require changes to eligibility determinations, table values and reporting requirements, impacting the Family Assistance Management Information System (FAMIS) application.

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for FAMIS are estimated at $95/hour. It is assumed FAMIS modifications will require 267.84 hours for a cost of $25,444 (267.84 * $95), split 50% GR; 50% Federal in FY 24 exclusively.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by ITSD/DSS for fiscal note purposes.

<u>§208.151 and §208.662 - 12 month post-partum coverage for MPW and SMHB participants</u>
Officials from the **Department of Social Services (DSS), Family Support Division (FSD)** state this proposal amends §208.151 to extend pregnancy-related and postpartum coverage from the last day of the month that includes the sixtieth day to one year after the pregnancy ends for individuals receiving MO HealthNet for Pregnant Women (MPW) effective upon passage and approval. DSS shall submit a state plan amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) within sixty days of the effective date of this act and the provisions of this legislation shall remain in effect for any period of time during which there is federal authority under 42 U.S.C. Section 1396a(e)(16) or any successor statutes or regulations, is in effect.

Subsection 208.662.6 is amended to extend pregnancy-related and postpartum coverage from the last day of the month that includes the sixtieth day to one year after the pregnancy ends for individuals receiving Show Me Healthy Babies (SMHB). DSS shall submit a SPA to CMS within sixty days of the effective date of this act and the provisions of this legislation shall remain in effect for any period of time during which there is federal authority under 42 U.S.C. Section 1397gg(e)(1)(J) or any successor statutes or regulations, is in effect.

Beginning April 1, 2022, sections 9812 and 9822 of The American Rescue Plan Act of 2021 (ARPA) give states the option to extend Medicaid coverage for pregnant women beyond the required 60-day postpartum period through the end of the month in which a 12-month postpartum period ends. The option provides for continuous eligibility. States electing this option must provide full state plan benefits during the pregnancy and postpartum period; they may not limit coverage to pregnancy-related services. If adopted for Medicaid, the extended postpartum coverage election applies automatically to the Children's Health Insurance Program (CHIP) in the state. This option is time-limited to a 5-year period beginning on the effective date of the provision, April 1, 2022. On December 29, 2022, the Consolidated Appropriations Act, 2023 (CAA, 2023) was enacted, making the option for states to provide 12-months of continuous post-partum coverage a permanent state plan option, overriding the previous authorization for a 5-year limit in ARPA.

Due to the Families First Coronavirus Response Act (HR 6201, Section 6008), MO HealthNet coverage was maintained at the same benefit level for all cases as of March 18, 2020, and coverage was only closed for voluntary requests, deceased participants, participants moving out of the state, or aging out of CHIP under Title XXI. Due to this requirement, FSD has used data from FY 2020.

CMS issued guidance for extending postpartum coverage in State Health Official Letter 21-007 on December 7, 2021. The guidance directs states opting to accept this coverage to provide twelve months of continuous coverage at the level of care the participant received when the pregnancy ended.

The Family Support Division (FSD) determined that approximately 4,565 individuals who received MPW postpartum benefits beginning on the last day of their pregnancy would have coverage extended to twelve months.

FSD arrived at the number in the following manner:

In FY 2020, 46,455 MPW participants lost postpartum coverage after 60 days. Of these:

14,513 MPW moved to other assistance assuming a full benefit package
12,449 MPW moved to Extended Women's Health Services (EWHS) with limited benefits
19,493 MPW received no other assistance
Total: 46,455 MPW participants lost postpartum coverage after 60 days

Under Amendment 2, Missouri Constitution Article IV, Section 36(c), effective July 1, 2021, the DSS extended MO HealthNet coverage to persons age 19 to 64 with income under 138% of the federal poverty level (FPL), known as the Adult Expansion Group (AEG). The extension of this MO HealthNet coverage results in MPW participants that would have previously moved to Extended Women's Health Services (EWHS) or received no other assistance to potentially be eligible for AEG. To estimate the number of MPW participants that could now move directly from MPW to AEG, DSS analyzed MPW participants receiving in February 2020 with income under 138% FPL that do not receive Medicare and determined 87% of the MPW population will now be eligible for AEG and receive a full benefit package. DSS then used the 87% to estimate 27,790 ((12,449 + 19,493 = 31,942) and (31,942 * 0.87 = 27,789.54, rounded up)) could move to AEG after the 12 months of postpartum coverage expires.

Therefore, the total MPW participants estimated to receive extended postpartum for twelve months is 4,152 (46,455 – 14,513 – 27,790 = 4,152).

46,455 MPW participants lost postpartum coverage after 60 days
(14,513) MPW moved to other assistance assuming a full benefit package
(27,790)MPW moved to AEG
Total: 4,152 estimated to receive extended postpartum for twelve months

In FY 2020, 553 SMHB participants lost postpartum coverage after 60 days. Of these:
140 moved to other assistance assuming a full benefit package
68 moved to Women's Health Services (WHS) with limited benefits
345 received no other assistance
Total: 553 SMHB participants lost postpartum coverage after 60 days

FSD assumes SMHB participants who moved to EWHS will not be eligible for AEG as their income at the SMHB determination exceeds eligibility guidelines for AEG. The total SMHB participants estimated to receive extended postpartum for twelve months is 413 (553 total – 140 moved to other assistance = 413).

In SFY 2020, 1,846 participants were eligible for and received other MO HealthNet benefits that were not pregnancy related, but received pregnancy related services. These individuals would also be eligible to have their MO HealthNet benefits continuously extended for twelve months from the date the pregnancy ended.

Amending these sections would extend coverage for 48,854 (46,455 + 553 + 1,846 = 48,854) total individuals after the pregnancy ended. DSS assumes that eligibility for the extended coverage would also include any postpartum participant currently within the initial 60-days of coverage as of the effective date.

Therefore, FSD determined that approximately 4,565 (4,152 + 413 = 4,565) individuals would be newly eligible for coverage extended to twelve months.

In discussions with DSS, **Oversight** learned that 1,846 MO HealthNet participants who were not covered by MPW or SMHB, but did receive pregnancy related services, are not counted in the newly eligible extended post-partum coverage participant numbers because they are assumed to remain eligible for that MO HealthNet coverage for the entire 12 months. This results in those beneficiaries being included in the population that already has MO HealthNet costs. **DSS** assumes, for example, a participant with MO HealthNet for Families coverage will remain eligible for that coverage for the extended post-partum period. When **Oversight** asked DSS about any potential additional costs for continuing coverage on participants (excluding MPW and SMHB) for which they are not otherwise eligible and would be removed if they had not received pregnancy related services, officials from **DSS** stated there could potentially be some participants that would not be eligible for the entire 12 months, but DSS is not currently able to estimate how many there might be at this time because they have not removed any Adult Expansion Group (AEG) participants since implementation of that program due to the Public Health Emergency.

DSS, FSD states if the provisions of this legislation are enacted, the DSS will submit a SPA to CMS for approval. **DSS estimates that it will take approximately 90 days for the SPA to be approved. Therefore, DSS estimates that implementation of the provisions of this legislation cannot occur until July 1, 2023.**

The extension of coverage would have no fiscal impact to FSD.

FSD defers to the MO HealthNet Division (MHD) for costs to the program.

FSD assumes the Office of Administration (OA), Information Technology Services Division (ITSD)/DSS will include the MEDES programming costs for the system changes needed to implement provisions of this bill in their response.

Oversight notes FSD's deferral to MHD and OA, ITSD/DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for FSD.

Officials from the **DSS, MHD** stated, currently, MHD covers pregnancy-related and postpartum mothers for up to 60 days after the pregnancy ends. This legislation would extend coverage to twelve months after the pregnancy ends. A waiver, SPA amendment, and Managed Care Organization (MCO) Contract Amendment would be needed for this legislation. Therefore, the MHD may not start seeing additional costs until the approval of the spa amendment and MCO Contract Amendment.

FSD determined a grand total of 4,565 (413 SMHB plus 4,152 MPW) participants would qualify for coverage under this legislation. MHD assumes new Medical Eligibility (ME) code(s) would need to be created for this population, with a total cost of $323,550, split 25% GR **($80,886)**; 75% Federal. MHD also found an average monthly per member per month (PMPM) rate of $533.57 for this population. This rate includes carved-out services, which mainly includes DMH services as well as Pharmacy related services.

The MHD assumes that system work will be needed for this added population. The MHD would assume that only new eligible mothers would qualify for extended coverage when this legislation takes effect, so the population was ramped up in FY24. The SMHB costs for extended coverage are below:

FY24 Total: $12,269,115 (GR: **$4,141,782**; Federal: $8,127,333)
FY25 Total: $30,807,329 (GR: **$10,472,952**; Federal: $20,334,377)
FY26 Total: $32,470,924 (GR: **$11,038,490**; Federal: $21,432,434)

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MHD.

The **DSS, Division of Legal Services (DLS)** estimates it will require one (1) additional FTE Hearing Officer to implement this legislation. This need stems from a likely increase in administrative appeals associated with the bill's new requirements. The Family Support Division estimates that 4,565 new participants would qualify for services under this legislation. MO HealthNet Division estimates that 5% of those new participants would need an administrative hearing for some reason during the year. DLS's hearings unit will need to adjudicate an additional 229 administrative hearings. Given the hearings officer's normal caseload of 696 hearings, one (1) additional hearing officer will be needed to absorb this increase in hearings [((4,565 * 0.05) / (696)) = 0.33 = **1 new FTE hearings officer**].

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DLS for fiscal note purposes.

In response to a similar proposal from this year (HCS for HB Nos. 354, 965, 254 & 957), officials from **OA, ITSD/DSS** stated the Missouri Eligibility Determination and Enrollment System (MEDES) currently provides eligibility determinations and case management functions for family MO HealthNet programs, including the MO HealthNet for Pregnant Women (MPW) and Show-me Healthy Babies (SMHB) programs, and the Children's Health Insurance Program (CHIP) administered by the DSS Family Support Division using the Modified Adjusted Gross Income (MAGI) criteria established under the Patient Protection and Affordable Care Act of 2010 (ACA). IBM Curam is a commercial off-the-shelf (COTS) software package that provides the core eligibility determination and case management functionality for MEDES. The proposed change to Sections 208.151 and 208.662 will require significant modifications to MEDES.

Subsection 208.151.1 currently retains eligibility for pregnancy-related and postpartum coverage through the last day of the month in which the 60th day after the pregnancy ends occurs. The added changes indicate that pregnant women shall be eligible for medical assistance during the pregnancy and during the 12-month period that begins on the last day of the woman's pregnancy and ends on the last day of the month in which the 12-month period ends. Due to the level of coverage under the existing postpartum subprograms, it is assumed the same MPW Post-partum Medicaid Eligibility (ME) codes will be used for the entire extended 12 month period.

Subsection 208.662.6(2) states mothers eligible under the SMHB program shall receive medical assistance benefits during the pregnancy and through the last day of the month 12 months after the pregnancy ends. Due to the level of coverage under the existing postpartum subprograms, it is assumed the same SMHB Post-partum Medicaid Eligibility code will be used for the entire extended 12 month period. Individuals on SMHB that are not citizens are assumed to not be eligible for the extended coverage.

The following modifications would be required for this group:

- New Medicaid Eligibility (ME) codes will be created for MO HealthNet programs that currently do not have postpartum coverage (i.e. programs other than MPW and SMHB).
- The programming for same ME codes that are used for the current MPW and SHMB postpartum 60 day extensions will be updated for the 12 month extension.
- Operational and management reports will need to be developed for the non-citizen program under the new ME code(s).
- A batch interface will be created that provides pregnancy related service information from the MMIS to MEDES. The evidence will be stored in MEDES to be accessed/ checked prior to performing a closing action.
- Additional programming will be added to create pregnancy verification tasks because it will be necessary for eligibility specialists to enter the pregnancy termination date so the system can calculate the end date for the 12 months of extended coverage.

- Multiple system generated notices will be modified to include information to recipients about the 12 months of extended coverage and advice of importance of reporting pregnancy so the additional benefit will be considered when a closing action is being processed.

Systems modifications will be executed via a Project Assessment Quotation (PAQ) under the existing Redmane contract for MEDES Maintenance and Operations as an enhancement. Hourly IT costs under this contract vary by position title and work type. It is estimated to take 4,712.48 hours for a total cost of $801,314 in FY 2024 exclusively (25% GR; 75% Federal). Ongoing maintenance will be covered under the existing Redmane maintenance and operations contract.

Therefore, the total MEDES upgrades will be split **$200,329** GR; $600,984 Federal in FY 2024 exclusively.

Oversight does not have any information to the contrary. Oversight notes the increased OA, ITSD/DSS costs from similar legislation (HB 2604) from the previous session. In discussions with DSS officials, Oversight learned the added costs come from the changes that must be made to several MO HealthNet programs, rather than alterations to only MPW and SMHB. Therefore, Oversight will reflect the costs provided by ITSD/DSS for fiscal note purposes.

Officials from the **Department of Mental Health (DMH)** state the anticipated fiscal impact to DMH for Comprehensive Psychiatric Rehab (CPR), Comprehensive Substance Treatment and Rehabilitation (CSTAR), Certified Community Behavioral Health Clinics (CCBHO) and Developmental Disabilities (DD) waiver services are included in the DSS estimate.

Oversight notes DMH's deferral to DSS for a statement of fiscal impact; for fiscal note purposes, Oversight assumes no fiscal impact for DMH.

§208.186 - Prohibits Medicaid payments for non-Missouri residents
Officials from **DSS, FSD** state §208.186 prohibits the state from utilizing general revenue funds to provide payments, add-ons, or reimbursements to health care providers through Medicaid for medical services provided to persons who do not reside in this state, as determined under 42 CFR 435.403, or any amendments or successor regulations thereto.

Officials from **FSD** state FSD determines MO HealthNet eligibility for the Modified Adjusted Gross Income (MAGI) and MO HealthNet for Aged, Blind and Disabled (MHABD) programs. 42 CFR 435.403 requires states to provide Medicaid to eligible residents of the state. Individuals who are not a resident of Missouri are not currently eligible for any MO HealthNet programs. The provisions of this bill do not alter any eligibility criteria for any MO HealthNet programs FSD administers.

Therefore, there is no fiscal impact to FSD.

In response to a similar proposal from the current session (SB 282), officials from **MHD** stated, effective July 1, 2022, MHD rebased the inpatient per diem and changed the add-on payments paid to hospitals. The add-on payments no longer include reimbursement for non-Missouri residents, therefore, there would be no impact to MHD.

Oversight does not have any information to the contrary. In discussions with DSS officials, Oversight learned that effective July 1, 2022, the Missouri Code of State Regulations (CSR) regarding payments to Missouri hospitals was updated to eliminate payments, add-ons, and reimbursements to health care providers through MO HealthNet for medical assistance services provided to non-Missouri Medicaid patients.

Prior to the CSR changes, the Direct Medicaid payment, which included the reimbursement for non-Missouri residents, was included 13 CSR 70-15.015. When MHD rebased and updated the methodology, this payment was **repurposed** into the payments now outlined in 13 CSR 70-15.010 and 13 CSR 70-15.230. Prior regulation language which included non-Missouri residents, was removed. Because the new payment calculations in the updated CSRs do not impact the amount of funds collected, only how the funds are disbursed, the recalculations have a budget neutral result. The provisions of this proposal will not change MHD's current reimbursement calculation or methodology. Therefore, **Oversight** will reflect a zero impact in the fiscal note for DSS, MHD for these provisions.

§208.239 – DSS to resume eligibility redeterminations/timeframes
Officials from **DSS** state §208.239 requires DSS to resume annual MO HealthNet redeterminations, renewals, and post enrollment verifications within 30 days of the effective date.

FSD resumed annual renewals for the Modified Adjusted Gross Income (MAGI) and MO HealthNet for Aged, Blind and Disabled (MHABD) programs effective April 1, 2023 as part of the unwinding process approved by the Centers for Medicare & Medicaid Services (CMS).

Therefore, there is no fiscal impact to FSD.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section.

Oversight notes the Centers for Medicare and Medicaid Services (CMS) released a state health official letter (SHO# 23-002) on January 27, 2023 which states the following:

On December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA, 2023) was enacted…section 5131 of subtitle D of title V of division FF of the CAA, 2023… makes significant changes to the continuous enrollment condition and availability of the temporary increase in the Federal Medical Assistance Percentage (FMAP) under section 6008 of the Families First Coronavirus Response Act (FFCRA) (hereinafter referred to as "temporary

FMAP increase") and establishes new state reporting requirements and enforcement authorities for the Centers for Medicare & Medicaid Services (CMS).

Section 5131(a)(2)(C) separates the end of the continuous enrollment condition from the end of the COVID-19 PHE by amending section 6008(b)(3) of the FFCRA to end continuous Medicaid enrollment as a condition for claiming the temporary FMAP increase on March 31, 2023. This means that, on or after April 1, 2023, states claiming the temporary FMAP increase will no longer be required to maintain the enrollment of a Medicaid beneficiary for whom the state completes a renewal and who no longer meets Medicaid eligibility requirements. ***With the changes made in section 5131, states must end the enrollment of ineligible beneficiaries on or after April 1, 2023, after a full renewal is conducted during the state's unwinding period, no matter when the COVID-19 PHE ends****.*

<u>§209.700 – Missouri Employment First Act</u>
Officials from the **Office of Administration (OA)** state this section of the proposal indicates that all state agencies that provide employment-related services or that provide services or support to persons with disabilities shall implement an employment first policy by considering competitive integrated employment as the first and preferred outcome when planning or providing services or supports to persons with disabilities, offer information on competitive integrated employment, ensure that persons with disabilities receive the opportunity to understand and explore education and training as pathways to employment, promote the availability and accessibility of individualized training, promote partnerships with private agencies that offer support, ensure staff members of public schools, vocational service programs, and community providers have support, guidance, and training to contribute to the attainment of the goal of competitive integrated employment for all persons with disabilities, ensure that competitive integrated employment and discuss basic information about competitive integrated employment with parents and guardians of youth with a disability.

Office of Administration, Division of Personnel assumes that to comply with the requirements listed within the Missouri Employment First Act that additional training, new recruitment efforts, and educational information would need to be developed to ensure that the integrated employment was implemented and successful.

Office of Administration, Division of Personnel would require four (4) new FTE to comply with the Missouri Employment First Act including one Senior Staff Development Training Specialist, two Human Resources Consultants, and one Administrative Professional Assistant. Currently, the average salary of a team member in the Office of Administration, Division of Personnel is $95,924.55 yearly including fringe benefits multiplied by four with a total of $383,698.20. Each additional FTE would require new equipment and working space with a cost of $6,620.00 multiplied by 4 with a total of $26,479.00. Additional funding of zero to unknown would be needed for travel reimbursement costs associated with statewide travel for training purposes including mileage reimbursement (approximately $0.55 per mile), meal per diem reimbursement (current rate is approximately $38.00 a day,) and lodging reimbursement (current rate is approximately $98.00 a day).

Office of Administration, Division of Personnel would also assume that Legal would have additional staff time invested in the review of newly developed policies and training.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect to cost estimated provided by OA to the General Revenue Fund.

Officials from the **Department of Social Services – Family Services Division (FSD)** state that currently, FSD provides vocational rehabilitation through Rehabilitative Services for the Blind (RSB). The RSB already provides information on competitive integrated employment to blind Missourians who request services and offers in-depth benefits counseling when requested to our Vocational Rehabilitation (VR) clients. In addition, FSD has entered into a combined state plan under the Workforce Innovation and Opportunity Act (WIOA), further aligning services to serve the most vulnerable populations first. FSD currently follows state and federal regulations that already follow the provisions outlined in this bill.

FSD assumes that the requirements of the proposed legislation could be met by developing a brochure that provides general information on competitive integrated employment, resources to obtain and secure assistive technologies to help an individual go to work (which would include Rehabilitation Technology devices and services under the VR program), information on how earned income might affect their public benefits, and information about Achieving a Better Life Experience (ABLE) accounts.

Since FSD would not know which households include an individual with a disability, to ensure the brochure reached all potential disabled persons, FSD would complete a mass mailing of the brochure to all participants active in FSD programs. In addition, a brochure will be provided by RSB to clients' age 16 and higher upon application for services. For Youth with Disabilities, RSB will attend annual Individual Education Program (IEP) meetings when requested and it is assumed the brochure could be provided at the annual IEP meetings.

Due to the Families First Coronavirus Response Act (HR 6201, Section 6008), MO HealthNet (MHN) coverage was maintained at the same benefit level for all cases as of March 18, 2020, and coverage was only closed for voluntary requests, deceased participants, participants moving out of the state, or aging out of Children's Health Insurance Program (CHIP) under Title XXI. The annual review process required in 42 CFR 435.916 and RSMo 208.147 is temporarily waived while operating under the provisions of HR 6201, Section 6008. The number of MHN cases included in the total number of FSD IM cases may be higher as this resulted in limited closings after March 18, 2020. As of October 31, 2022 there were a combined total of 857,194 active FSD Income Maintenance (IM) cases that would receive the informational brochure annually. FSD calculated the cost to produce the brochure based on production costs of similar brochures produced by the division at $0.10 per brochure, and mailing costs at the bulk-mailing rate of $0.52 per item. It is estimated that the cost to produce and mail the informational brochure to IM households would total $531,460 [(857,194*$0.10) + (857,194*$0.52) = **$531,460.28**, rounded down)].

As of January 6, 2023, there are a total of 1,735 active RSB participants in all programs age 16 or higher. Of those, it is estimated that the majority prefers printed communication to be in large print, with a minority requesting regular print or braille. Assuming 85% large print, 10% regular print, and 5% braille, the RSB calculated the following amounts of the informational brochure will be needed for the initial mailing:

· 1,475 (1,735*.85 = 1,474.75, rounded up) large print informational brochures
· 173 (1,735*.10 = 173.5, rounded down) regular print informational brochures
· 87 (1,735*.05 = 86.75, rounded up) braille informational brochures

FSD calculated the cost to produce the brochure based on production costs of similar brochures produced by the division at $0.45 per brochure in regular print, $3.50 per brochure in large print, and $5.00 per brochure in braille. The mailing costs are calculated at the bulk mailing rate of $0.52 per item. It is estimated that the cost to produce and mail the informational brochure in the following formats to RSB participants the first year would total $6,578 ($5,930+$168+$480).

· 1,475 large print informational brochures: $5,930 [(1,475*$3.50) + (1,475*0.52) = $5,929.50, rounded up]
· 173 regular print informational brochures: $168 [(173*$0.45)+(173*$0.52) = $167.81, rounded up]
· 87 braille informational brochures: $480 [(87*$5.00)+(87*$0.52) = $480.24, rounded down]

As RSB receives approximately 1,800 new referrals a year, it is assumed that the following amounts of informational brochures would be needed ongoing to provide to RSB clients during the application process and at annual IEP meetings:

· 1,530 (1,800*.85) large print informational brochures
· 180 (1,800*.10) regular print informational brochures
· 90 (1,800*.05) braille informational brochures

The RSB estimates the ongoing annual fiscal impact of $6,823 ($6,151+$175+$497) as follows:

· 1,530 large print brochures: $6,151 [(1,530*$3.50)+(1,530*$0.52) = $6,150.60, rounded up]
· 180 regular print brochures: $175 [(180*$0.45)+(180*$0.52) = $174.60, rounded up]
· 90 braille brochures: $497 [(90*$5.00)+(90*$0.52) = $496.80, rounded up]

Therefore, the one-time fiscal impact to the FSD as a result of the provisions in section 209.700, would be RSB's initial cost of $6,578. The ongoing fiscal impact will be $538,283 (the cost of IM's annual brochure mailing of $531,460 and RSB ongoing cost of $6,823).
The total fiscal impact to the FSD as a result of the provisions of this legislation is a one-time cost of $6,578 and an ongoing cost of $538,283 annually (split between GR & Fed.).

In summary, FSD assumes a cost of $538,038 in FY 2024 and a cost of $538,283 in FY 2025 and FY 2026 to provide for the implementation of the changes in this section of the proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect cost estimate as provided by FSD.

<u>§335.203.2 – Nursing education</u>

Oversight notes the Department of Commerce and Insurance (DCI) budget request included the following information: *The Nursing Education Incentive Program (NEIP) was established in 2011 through legislative action and appropriation of State Board of Nursing (Board) funds to increase the number of nursing graduates by expanding the physical and educational capacity of professional nursing programs in Missouri. This grant program is supported by nurse licensure fees and represents continued action by the Board to support nursing education. The board currently has the authority to award up to $2,000,000 each fiscal year for the NEIP Program. This new decision item would allow the Board to award up to $3,000,000 each fiscal year in NEIP funding.* Oversight notes the DCI asked for a $1,000,000 new decision item from the State Board of Nursing Fund (0635).

<u>§335.205 – Nursing education</u>

DHSS notes §335.205, of proposed legislation, proposes the collection of a nursing education incentive program surcharge in addition to the nurse licensure fees for any initial nurse license and license renewal application to be deposited into the state board of nursing fund.

Officials from the **Department of Commerce and Insurance (DCI)** state that the board projects a 2% increase in licensees each year.

DCI assumes the surcharge only applies to applicants for a license by endorsement. Those numbers could decrease as more states join the nursing compact. Nurses will not need a Missouri license because they are able to practice in Missouri on the license from the other state.

DCI assumes the following:
<u>FY 2024</u>
LPN – Renewal Surcharge - $45,668
LPN – Initial License Surcharge $252
RN – Renewal Surcharge - $0
<u>RN – Initial Licensure Surcharge - $10,200</u>
Total - $56,120

<u>FY 2025</u>
LPN – Renewal Surcharge - $0
LPN – Initial License Surcharge $260
RN – Renewal Surcharge - $1,200,850

RN – Initial Licensure Surcharge - $10,405
Total - $1,211,515

FY 2026
LPN – Renewal Surcharge - $46,582
LPN – Initial License Surcharge $268
RN – Renewal Surcharge - $0
RN – Initial Licensure Surcharge - $10,615
Total - $57,465

DCI Notes:
RNs are currently in renewal so the 120,085 number could decrease for multiple reasons:
- Licensees that retire and do not renew their license.
- Not having to renew due to the added nurse licensure compact states.
-This is the first renewal period since Kansas joined the nursing compact. The board does not know how many RNs that are Kansas residents that will not renew their Missouri license because they do not have to.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the revenues as estimated by the DCI to the Board of Nursing Fund (0635).

§§334.100 - 334.613 – Physical Therapist Scope of Practice
Officials from the **Department of Social Services (DSS)** assumed this legislation revises Chapter 334, RSMo, by adding three sections that would allow physical therapists to treat patients without a prescription or referral from an approved health care provider. Since this legislation revises Chapter 334, RSMo, and since there is no specific exemption for physical therapists that contract with the Health Maintenance Organizations (HMOs) that contact with the state to provide health benefits to MO HealthNet managed Care members, it is assumed this will apply to them.

The HMOs that contract with the state have current policies and procedures that outline treatment guidelines for members for physical therapy services. This legislation revises current language to remove the requirement for a prescription or referral from an approved healthcare provider provided the physical therapist has a doctorate of physical therapy degree or has five years of clinical practice as a physical therapist. In addition, this legislation revises language that states consultation with an approved health care provider is not required if the course of physical therapy services or treatment is completed within ten visits or twenty-one business days. Providers enrolled with MO HealthNet must be licensed by the state in which they practice. In order to receive reimbursement for services provided to a MO HealthNet participant, providers must be enrolled with the state as a MO HealthNet provider. Physical therapy services must be prescribed by a primary care provider and is only a covered benefit for children. Additionally, any service included in the Individualized Education Program (IEP) developed through the public school is covered through Fee-For-Service.

Medicaid's requirement for medical necessity of physical therapy services would be impacted if the need for prescription and referral by a primary care provider (or specialist) were removed. By removing this connection to the primary care/specialist provider, utilization for these services will inevitably increase over time due to provider induced demand, potential for over treatment (due to lack of utilization controls), and difficulty in enforcement. In addition, utilization increases may be expected based on the use of in-office ancillary. Without the need for a script or other utilization control, utilization increases may be anticipated as clinicians have the ability to bill up to ten visits before they must seek further consult, and without an enforcement process, it is assumed this type of behavior will increase.

It is assumed that the Managed Care capitation rates would increase at least $100,000 based on this legislation. For FY25 and FY26, a 5.4% medical inflation rate was used. They estimate the actuarial cost to evaluate this program change to the Managed Care capitation rates to be no more than $50,000.

FY24: Total - $150,000 (GR - $58,995; Federal - $91,005)
FY25: Total - $105,400 (GR - $35,831; Federal - $69,569)
FY26: Total - $111,092 (GR - $37,766; Federal - $73,326)

Oversight will reflect the cost as estimated by DSS.

§§441.740-633.125 – Mental Health Coordinators 2322-02

§552.020 – Behavioral health services for certain persons
Officials from the **Department of Mental Health (DMH)** state the proposed legislation modifies provisions in section 552.020 relating to behavioral health services for certain individuals. This bill provides jail-based and outpatient competency restoration.

To address the increasing waitlist for admission to the inpatient facilities for competency restoration, DMH proposes jail-based competency restoration services to occur at five county jails. Services would include room/board and general medical care for ten beds at each site as well as community-based contracted staff from a local Certified Community Behavioral Health Organizations (CCBHO) to provide psychosocial treatment services and case management. Psychiatric medication services will be provided by the Forensic Mobile Team practitioners, who are employed by the DMH inpatient facilities. The five locations would be in St. Louis City, St. Louis County, Clay County, Jackson County, and Greene County. DMH estimates the cost for each county jail to be $500,000 per site, totaling $2.5 Million in GR funds annually.

DMH additionally proposes outpatient competency restoration services to occur statewide. No additional cost is anticipated, as clients would be on bond and eligible for treatment services at a local Certified Community Behavioral Health Organization (CCBHO).

Total annual cost for FY24 and beyond is $2.0 million.

Oversight does not have any information contrary to that provided by DMH. Therefore, Oversight will reflect DMH's estimated impact to the General Revenue Fund and a program cost reimbursement to local political subdivisions. Oversight notes this proposal does not contain an emergency clause. Therefore, Oversight will reflect expenditures as $2,083,333 in FY 2024 (10 months) and $2,500,000 in FY 2025 and beyond.

Bill as a whole:
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 (SOS)** note 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 $5,000. 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 its 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.

Officials from the **Office of the State Courts Administrator** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Attorney General's Office**, the **Department of Corrections**, the **Missouri Department of Conservation**, the **Office of Administration** and the **Missouri Office of Prosecution Services** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Phelps County Sheriff**, the **Branson Police Department**, the **Kansas City Police Department** and the **St. Louis County Police Department** each assumed 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 **Department of Public Safety - Missouri Highway Patrol** defer to the Missouri Department of Transportation for the potential fiscal impact of this proposal.

Officials from the **Office of Administration - Budget and Planning** defer to the Department of Health and Senior Services for the potential fiscal impact of this proposal.

FISCAL IMPACT – State Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
GENERAL REVENUE FUND				
Cost – OA (§37.980) General Assembly Report and update to MoCareers p. 4	($51,578)	$0	$0	$0
Cost – DESE (§37.980) Implementation of Missouri as a Model Employer program changes p.4	Could exceed…	Could exceed…	Could exceed…	Could exceed…
Personal service	($44,980)	($55,056)	($56,157)	($56,157)
Fringe benefits	($29,815)	($36,182)	($36,594)	($36,594)
Equipment and expense	($9,642)	($6,180)	($6,304)	($6,304)
Total Costs – DESE	($84,437)	($97,418)	($99,055)	Could exceed ($99,055)
FTE Changes	1 FTE	1 FTE	1 FTE	1 FTE
Cost – MDA (§§37.980 & 209.700) Implementation of certain targeted work programs p.4				Could exceed…
Personal service	($60,000)	($61,200)	($62,424)	($62,424)
Fringe benefits	($38,032)	($38,481)	($38,939)	($38,939)
Equipment and expense	($15,896)	($5,082)	($5,184)	($5,184)
Total Costs – DESE	($113,928)	($104,763)	($106,547)	Could exceed ($106,547)
FTE Changes	1 FTE	1 FTE	1 FTE	1 FTE

FISCAL IMPACT – State Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
Costs – DSS, FSD (§208.035) Transitional Benefits				Could exceed…
Personal service p. 11-17	($110,123)	($133,469)	($134,804)	($134,804)
Fringe benefits	($79,138)	($95,448)	($95,935)	($95,935)
Equipment and expense	($48,186)	($33,585)	($34,425)	($34,425)
SNAP additional annual mailings	($7,023)	($8,428)	($8,428)	($8,428)
TANF additional mailings	($3,498)	($4,197)	($4,197)	($4,197)
SNAP transitional benefits p. 13	$0 or Up to ($11,993,920 to $59,969,600)	$0 or Up to ($14,392,704 to $71,963,520)	$0 or Up to ($14,392,704 to $71,963,520)	$0 or Up to ($14,392,704 to $71,963,520)
TANF transitional benefits p. 15	Up to ($1,170,440 to $5,892,560)	($1,408,705 to Unknown)	($1,408,705 to Unknown)	($1,408,705 to Unknown)
EBT vendor costs	($4,000)	($4,000)	($4,000)	($4,000)
Total Costs – DSS, FSD	Could exceed ($13,416,328 to $66,114,128)	Could exceed ($1,687,832 to $73,651,352)	Could exceed ($1,690,494 to $73,654,014)	Could exceed ($1,690,494 to $73,654,014)
FTE Changes	3 FTE	3 FTE	3 FTE	3 FTE
Costs – DSS, DLS (§208.035) p. p. 11-17				Could exceed…
Personal service	($30,410 to $60,820)	($36,857 to $73,714)	($37,226to $74,451)	($37,226to $74,451)
Fringe benefits	($17,588 to $35,175)	($21,239 to $42,477)	($21,373 to $42,746)	($21,373 to $42,746)
Equipment and expense	($6,165 to $12,329)	($5,598 to $11,195)	($5,738to $11,475)	($5,738to $11,475)
Total Costs – DSS, DLS	($54,162 to $108,324)	($63,693 to $127,386)	($64,336 to $128,672)	Could exceed ($64,336 to $128,672)
FTE Changes	0.5 to 1 FTE	0.5 to 1 FTE	0.5 to 1 FTE	0.5 to 1 FTE

FISCAL IMPACT – State Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
Costs – OA, ITSD/DSS (§208.035) p. 11-17 FAMIS updates for SNAP and TANF	($27,702)	($5,679)	($5,821)	Could exceed ($5,821)
Costs – DESE, Office of Childhood (§208.053) p. 17-20	Could exceed…	Could exceed…	Could exceed…	Could exceed…
Personal service	($677,664)	($691,217)	($705,042)	($705,042)
Fringe benefits	($502,890)	($507,960)	($513,132)	($513,132)
Equipment and expense	($206,203)	($144,768)	($146,746)	($146,746)
Total Costs - DESE, Office of Childhood	Could exceed ($1,386,757)	Could exceed ($1,343,945)	Could exceed ($1,364,920)	Could exceed ($1,364,920)
FTE Changes	16 FTE	16 FTE	16 FTE	16 FTE
Costs – DESE, Office of Childhood (§208.053) Child Care Subsidy Distributions p. 17-20	($102,784,933)	($123,341,920)	($123,341,920)	($123,341,920)
Cost – OA, ITSD/DESE p. (§208.053) Changes to CCDS p. 17-20	($112,860 to Unknown)	($23,136 to Unknown)	($23,714 to Unknown)	($23,714 to Unknown)
Costs – DSS/FSD (§208.066) p. 20-26	Up to…	Up to…	Up to…	Up to and could exceed…
Personal service	($203,720)	($246,909)	($249,378)	($249,378)
Fringe benefits	($139,259)	($168,002)	($168,903)	($168,903)
Equipment and expense	($86,843)	($55,975)	($57,375)	($57,375)
One-time mailing costs	($222,754)	$0	$0	$0
Total Costs - DSS/FSD	($222,754 to $652,576)	Up to ($470,886)	Up to ($475,656)	Up to and could exceed ($475,656)

FISCAL IMPACT – State Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
FTE Change - DSS/FSD	5 FTE	5 FTE	5 FTE	5 FTE
Costs – OA, ITSD/DSS (§208.066) FAMIS interface updates p. 20-26	($20,725)	($4,248)	($4,355)	Could exceed ($4,355)
Costs – DOR (§208.066) p. 20-26				Could exceed…
Personal service (FTE)	($130,000)	($159,120)	($162,302)	($162,302)
Fringe benefits (FTE)	($112,366)	($135,977)	($137,138)	($137,138)
Recurring expense (FTE)	($2,329)	($2,851)	(2,908)	(2,908)
Personal service (Temps)	($1,020,000)	($1,248,480)	($1,273,450)	($1,273,450)
Social Security and Medicare benefits (Temps)	($372,096)	($455,445)	($464,554)	($464,554)
Equipment and expense (Temps)	($108,447)	($59,299)	($60,485)	($60,485)
Forms and system updates	($160,000)	$0	$0	$0
Paper	($28,700)	($35,129)	($35,831)	($35,831)
Printers	(Unknown)	$0	$0	$0
Postage/ mailing	(Unknown)	(Unknown)	(Unknown)	(Unknown)
Interest	(Unknown to could exceed $100,000)	(Unknown to could exceed $100,000)	(Unknown to could exceed $100,000)	(Unknown to could exceed $100,000)
Total Costs – DOR	(Unknown to could exceed $2,033,938)	(Unknown to could exceed $2,196,301)	(Unknown to could exceed $2,236,668)	(Unknown to could exceed $2,236,668)
FTE Change – DOR	5 FTE	5 FTE	5 FTE	5 FTE

FISCAL IMPACT – State Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
Costs - DSS (§208.146) Increase in state share of Ticket to Work Health Assurance Program costs p. 26-32	($1,131,267)	($1,234,050)	($215,571)	$0
Costs - DSS/MHD (§208.146) MMIS system updates p. 26-32	($63,000)	$0	$0	$0
Costs - OA, ITSD/DSS (§208.146) FAMIS system updates p. 26-32	($12,722)	$0	$0	$0
Costs – DSS/MHD (§§208.151 and 208.662) new ME codes for Post-partum Extension p.32-37	($80,886)	$0	$0	$0
Costs - DSS/MHD (§§208.151 and 208.662) Program distributions for Post-partum Extension p.32-37	($4,141,782)	($10,472,952)	($11,038,490)	Could exceed ($11,038,490)
Costs – DSS/DLS (§§208.151 and 208.662) p.32-37				
Personal service	($72,984)	($73,714)	($74,451)	($74,451)
Fringe benefits	($42,211)	($42,477)	($42,746)	($42,746)
Equipment and expense	($17,929)	($11,195)	($11,475)	($11,475)
Total Costs - DSS/DLS	($133,124)	($127,386)	($128,672)	Could exceed ($128,672)
FTE Changes	1 FTE	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – State Government (continued)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
<u>Costs</u> – OA,ITSD/DSS (§§208.151 and 208.662) MEDES system changes for Post-partum Extension p.32-37	($200,329)	$0	$0	$0
<u>Cost</u> – OA (§209.700) p. 39-42				Could exceed…
Salaries	($210,752)	($257,960)	($263,119)	($263,119)
Fringe Benefits	($130,796)	($158,847)	($160,777)	($160,777)
Equipment	<u>($15,395)</u>	<u>$0</u>	<u>$0</u>	<u>$0</u>
<u>Total Cost</u> – OA	<u>($356,943)</u>	<u>($416,807)</u>	<u>($423,896)</u>	<u>Could exceed ($423,896)</u>
FTE Change – OA	4 FTE	4 FTE	4 FTE	4 FTE
<u>Cost</u> – DSS - (§209.700) Brochure development and mailing p. 39-42	($242,117)	($242,227)	($242,227)	($242,227)
<u>Cost</u> – DSS (§§334.100 - 334.613) p.43-44				
Increase in Managed Care Capitation Rates physical therapists (state portion)	($33,995)	($35,831)	($37,766)	Could exceed… ($37,766)
Actuarial Study (state portion)	<u>($25,000)</u>	<u>$0</u>	<u>$0</u>	
<u>Total Cost</u> - DSS	<u>($58,995)</u>	<u>($35,831)</u>	<u>($37,766)</u>	<u>($37,766)</u>
<u>Transfer Out</u> – Health Professional Loan Incentive Fund – appropriations (§191.430) p.4-7	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)

FISCAL IMPACT – State Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
Transfer-Out – to Medical Residency Grant Program Fund (§191.592) p. 9-10	(Could exceed $1,114,627)	(Could exceed $2,110,572)	(Could exceed $3,113,372)	(Could exceed $4,115,326)
Transfer Out – (§552.020) Jail-based competency restoration services and forensic mobile teams (p. 44-45)	($2,083,333)	($2,500,000)	($2,500,000)	($2,500,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	**(Could exceed $129,929,227 to $183,605,709)**	**(Could exceed $146,008,760 to $218,507,858)**	**(Could exceed $146,637,824 to $219,141,335)**	**(Could exceed $147,640,778 to $220,144,289)**
Estimated Net FTE Change on the General Revenue Fund	34.5 to 35 FTE	34.5 to 35 FTE	34.5 to 35 FTE	34.5 to 35 FTE
MEDICAL RESIDENCY GRANT PROGRAM FUND				
Transfer-in – from General Revenue (§191.592) p. 9-10	Could exceed $1,114,627	Could exceed $2,110,572	Could exceed $3,113,372	Could exceed $4,115,326
Income – gifts, contributions, grants or bequests p. 9-10	$0 or Unknown	$0 or Unknown	$0 or Unknown	$0 or Unknown
Transfer-in – from Colleges and Universities – grant repayments p. 9-10	$0	$0 to Unknown	$0 to Unknown	$0 to Unknown

FISCAL IMPACT – State Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
Costs – DHSS (§191.592) p. 9-10	Could exceed…	Could exceed…	Could exceed…	Could exceed…
Personal service	($63,999)	($64,639)	($66,585)	($67,916)
Fringe benefits	($39,529)	($39,769)	($40,497)	($40,995)
Equipment and expense	($11,099)	($6,164)	($6,290)	($6,415)
Medical education grants	($1,000,000)	($2,000,000)	($3,000,000)	($4,000,000)
Total Costs - DHSS	($1,114,627)	($2,110,572)	($3,113,372)	($4,115,326)
FTE Change – DHSS	Could exceed 1 FTE	Could exceed 1 FTE	Could exceed 1 FTE	Could exceed 1 FTE
ESTIMATED NET EFFECT ON THE MEDICAL RESIDENCY GRANT PROGRAM FUND	**$0 to Unknown**	**$0 to Unknown**	**$0 to Unknown**	**$0 to Unknown**
FEDERAL FUNDS				
Income – DSS, FSD (§208.035) Transitional benefits program reimbursements p. 11-17	(Could significantly exceed $12,242,390 to $60,218,070)	(Could significantly exceed $274,930 to $72,238,450)	(Could significantly exceed $277,592 to $72,241,112)	(Could significantly exceed $277,592 to $72,241,112)
Income – DSS, DLS (§208.035) Transitional benefits program reimbursements p. 11-17	$0 to $54,162	$0 to $63,693	$0 to $64,336	Could exceed $0 to $64,336

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Income – OA, ITSD/DSS (§208.035) Reimbursement FAMIS updates for SNAP and TANF p. 11-17	$27,702	$5,679	$5,821	Could exceed $5,821
Income – DSS, FSD (§208.066) Program reimbursements p. 20-26	$222,754 to $652,576	Up to $470,886	Up to $475,656	Up to and could exceed $475,656
Income – OA, ITSD/DSS (§208.066) Reimbursement for FAMIS interface updates p.20-26	$20,725	$4,248	$4,355	Could exceed $4,355
Income - DSS (§208.146) Increase in program reimbursements p. 26-32	$1,898,999	$2,000,283	$352,594	$0
Income - DSS/MHD (§208.146) MMIS system update reimbursements p. 26-32	$63,000	$0	$0	$0
Income - OA, ITSD/DSS (§208.146) FAMIS system update reimbursements p. 26-32	$12,722	$0	$0	$0

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Income - DSS/MHD (§§208.151 and 208.662) Reimbursement for Post-partum Extension p.32-37	$8,127,333	$20,334,377	$21,432,434	Could exceed $21,432,434
Income – DSS/MHD (§§208.151 and 208.662) Reimbursement for new ME codes for Post-partum Extension p.32-37	$242,663	$0	$0	$0
Income – OA,ITSD/DSS (§§208.151 and 208.662) Reimbursement for MEDES system changes for Post-partum Extension p.32-37	$600,984	$0	$0	$0
Income – DSS - (§209.700) Brochure development and mailing p. 39-42	$297,434	$296,056	$296,056	$296,056
Costs – DSS, FSD (§208.035) Transitional Benefits p. 11-17				Could exceed…
Personal service p.	($110,123)	($133,469)	($134,804)	($134,804)
Fringe benefits	($79,138)	($95,448)	($95,935)	($95,935)
Equipment and expense	($48,186)	($33,585)	($34,425)	($34,425)
SNAP additional annual mailings p.	($7,023)	($8,428)	($8,428)	($8,428)

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
SNAP transitional benefits p.	$0 or Up to ($11,993,920 to $59,969,600)	$0 or Up to ($14,392,704 to $71,963,520)	$0 or Up to ($14,392,704 to $71,963,520)	$0 or Up to ($14,392,704 to $71,963,520)
EBT vendor costs p.	($4,000)	($4,000)	($4,000)	($4,000)
Total Costs – DSS, FSD	(Could significantly exceed $12,242,390 to $60,218,070)	(Could significantly exceed $274,930 to $72,238,450)	(Could significantly exceed $277,592 to $72,241,112)	(Could significantly exceed $277,592 to $72,241,112)
FTE Changes	3 FTE	3 FTE	3 FTE	3 FTE
Costs – DSS, DLS (§208.035) p. 11-17				Could exceed…
Personal service	($0 to $30,410)	($0 to $36,857)	($0 to $37,226)	($0 to $37,226)
Fringe benefits	($0 to $35,175)	($0 to $21,239)	($0 to $21,373)	($0 to $21,373)
Equipment and expense	($0 to $6,165)	($0 to $5,598)	($0 to $5,738)	($0 to $5,738)
Total Costs – DSS, DLS	($0 to $54,162)	($0 to $63,693)	($0 to $64,336)	Could exceed ($0 to $64,336)
FTE Changes	0 to 0.5 FTE	0 to 0.5 FTE	0 to 0.5 FTE	0 to 0.5 FTE
Costs – OA, ITSD/DSS (§208.035) FAMIS updates for SNAP and TANF p. 11-17	($27,702)	($5,679)	($5,821)	Could exceed ($5,821)
Costs – DSS/FSD (§208.066) p. 20 -26	Up to…	Up to…	Up to…	Up to and could exceed…
Personal service	($203,720)	($246,909)	($249,378)	($249,378)
Fringe benefits	($139,259)	($168,002)	($168,903)	($168,903)
Equipment and expense	($86,843)	($55,975)	($57,375)	($57,375)
Costs – DSS, FSD (§208.066) One-time mailing costs p. 20-26	($222,754)	$0	$0	$0

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Total Costs - DSS/FSD	($222,754 to $652,576)	Up to ($470,886)	Up to ($475,656)	Up to and could exceed ($475,656)
FTE Change - DSS/FSD	5 FTE	5 FTE	5 FTE	5 FTE
Costs – OA, ITSD/DSS (§208.066) FAMIS interface updates p. 20-26	($20,725)	($4,248)	($4,355)	Could exceed ($4,355)
Costs - DSS (§208.146) Increase in program expenditures p. 26-32	($1,898,999)	($2,000,283)	($352,594)	$0
Costs - DSS/MHD (§208.146) MMIS system update expenditures p. 26-32	($63,000)	$0	$0	$0
Costs - OA, ITSD/DSS (§208.146) FAMIS system update expenditures p. 26-32	($12,722)	$0	$0	$0
Costs - DSS/MHD (§§208.151 and 208.662) Program distributions for Post-partum Extension p.32-37	($8,127,333)	($20,334,377)	($21,432,434)	Could exceed ($21,432,434)
Costs – DSS/MHD (§§208.151 and 208.662) New ME codes for Post-partum Extension p.32-37	($242,663)	$0	$0	$0

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Costs – OA,ITSD/DSS (§§208.151 and 208.662) MEDES system changes for Post-partum Extension p.32-37	($600,984)	$0	$0	$0
Cost – DSS - (§209.700) Brochure development and mailing p. 39-42	($297,434)	($296,056)	($296,056)	($296,056)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0**	**$0**	**$0**	**$0**
Estimated Net FTE Change on Federal Funds	8 to 8.5	8 to 8.5	8 to 8.5	8 to 8.5
NURSE LOAN FUND				
Loss – DHSS (§§<335.212 - 335.242>) Loss of educational surcharge collection p. 8	($66,000)	($1,300,000)	($66,000)	($1,300,000)
ESIMATED NET EFFECT ON THE NURSE LOAN FUND	**($66,000)**	**($1,300,000)**	**($66,000)**	**($1,300,000)**
BOARD OF NURSING FUND (0635)				

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
Revenue – DCI (§335.205) - Nursing Education Incentive Program Surcharge p. 42-44	$56,120	$1,211,515	$57,465	$1,211,515
ESTIMATED NET EFFECT TO THE BOARD OF NURSING FUND	**$56,120**	**$1,211,515**	**$57,465**	**$1,211,515**
COLLEGES AND UNIVERSITIES				
Income – Colleges and Universities (§191.592) increase in tuition and fees p. 9-10	$0 to Unknown	$0 to Unknown	$0 to Unknown	$0 to Unknown
Income – Colleges & Universities (§§191.430 - 191.831) increase in tuition and fees p.4-7	$0 to Unknown	$0 to Unknown	$0 to Unknown	$0 to Unknown
Transfer-out – to Medical Residency Grant Program Fund from Colleges and Universities (§191.592) grant repayments p. 9-10	$0	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
ESTIMATE NET EFFECT ON COLLEGES AND UNIVERSITIES	**$0 to Unknown**	**$0 to Unknown**	**$0 to Unknown**	**$0 to Unknown**

FISCAL IMPACT – State Government - continued	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2027)
STATE ROAD FUND				
Cost – MoDOT Medical Plan Processor Cost Share §§192.775, 376.782 & 376.1183 (p.10-11)	$0 or ($70,000-$75,000)	$0 or ($70,000-$75,000)	$0 or ($70,000-$75,000)	$0 or ($70,000-$75,000)
ESTIMATED NET EFFECT TO THE STATE ROAD FUND	**$0 or ($70,000-$75,000)**	**$0 or ($70,000-$75,000)**	**$0 or ($70,000-$75,000)**	**$0 or ($70,000-$75,000)**

FISCAL IMPACT – Local Government	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
Transfer In – (§552.020) from General Revenue (p. 44-45)	$1,666,667	$2,000,000	$2,000,000	$2,000,000
Cost – Jails (§552.020) Room/board and general medical care (p. 44-45)	($1,666,667)	($2,000,000)	($2,000,000)	($2,000,000)
Costs – increased health insurance costs for cities, counties, school districts, etc. §§192.775, 376.782 & 376.1183 (p. 10-11)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)

FISCAL IMPACT – Local Government (continued)	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2027)
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**

FISCAL IMPACT – Small Business

This proposal could directly impact small business health care providers. (§§191.430 – 191.831)

FISCAL DESCRIPTION

This proposal modifies provisions relating to public health.

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

Attorney General's Office
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Department of Corrections
Department of Revenue
Department of Public Safety - Missouri Highway Patrol
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration - Budget and Planning
Missouri Consolidated Health Care Plan
Missouri Office of Prosecution Services
Office of the State Courts Administrator
Phelps County Sheriff
Branson Police Department

Kansas City Police Department
St. Louis County Police Department
Kansas City
City of Springfield

Julie Morff
Director
June 21, 2023

Ross Strope
Assistant Director
June 21, 2023