

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0951S.01I
 Bill No.: SB 212
 Subject: Hospitals; Department of Health and Senior Services; Medical Procedures and Personnel
 Type: Original
 Date: February 28, 2023

Bill Summary: This proposal requires a surgical smoke plume evacuation policy for hospitals and ambulatory surgical centers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue	\$0	\$0	\$0	(Unknown)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	(Unknown)

*Oversight assumes the increase in the State’s share of MO HealthNet costs to hospitals and surgical centers passed through costs reports for implementation of surgical smoke plume evacuation systems could possibly exceed \$250,000 beginning in 2028.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Federal*	\$0	\$0	\$0	\$0
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

*Income and expenses unknown but would net to \$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
Total Estimated Net Effect on FTE	0	0	0	\$0

- 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 2028)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§197.185 – Policies and procedures to reduce surgical smoke plume

Officials from the **Department of Social Services (DSS)** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Since each hospital has to have a surgical smoke plume evacuation system by no later than January 1, 2025, any additional cost would begin to be reflected in the 2027 cost reports. MO HealthNet would use 2024 cost reports to establish reimbursement for SFY 2027. Therefore, there would not be a fiscal impact to the MO HealthNet Division in SFY's 2024 through 2027, but starting SFY 2028 MHD estimates there could be additional costs associated with this proposal. The additional costs would be unknown at this time.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect an unknown increase in General Revenue costs for DSS beginning in FY 2028. In addition, Oversight assumes there will be an increase in federal Medicaid reimbursements equal to the Medicaid costs reported by hospitals for the surgical smoke plume evacuation system. For fiscal note purposes, **Oversight** assumes the increase in the State's share of costs to hospitals and surgical centers passed through costs reports for implementation of surgical smoke plume evacuation systems could possibly exceed \$250,000 beginning in 2028, but will present costs as (Unknown).

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight only reflects the responses received from state agencies and political subdivisions; however, hospitals were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
GENERAL REVENUE FUND				
<u>Costs</u> – DSS (§197.185) – increase in the State share of hospital Medicaid costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
FEDERAL FUNDS				
<u>Income</u> - DSS (§197.185) – increase in program reimbursements	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>Unknown</u>
<u>Costs</u> - DSS (§197.185) – increase in program expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal may have a negative fiscal impact on small business surgical centers. (§197.185)

FISCAL DESCRIPTION

This act requires each hospital and ambulatory surgical center that performs procedures that produce surgical smoke plume, on or before January 1, 2025, to adopt and implement policies and procedures to ensure the evacuation of surgical smoke plume by use of a surgical smoke plume evacuation system for each procedure that generates surgical smoke plume from the use of energy-based devices, including, but not limited to, electrosurgery and lasers. (§197.185)

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

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services



Julie Morff
Director
February 28, 2023



Ross Strobe
Assistant Director
February 28, 2023