

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3070-10  
BILL NO.: HCS for SCS for SB's 617 & 646  
SUBJECT: Anatomical Gift Act  
TYPE: Original  
DATE: May 4, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	(\$125,544)	(\$55,924)	(\$57,315)
General Revenue	(\$70,000 to \$2,320,000)	(\$71,750 to \$2,321,750)	(\$73,544 to \$2,323,544)
Organ Donor Program*	\$1,148,732	\$1,379,435	\$1,379,421
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$1,296,812) to \$953,188</b>	<b>(\$998,239) to \$1,251,761</b>	<b>(\$1,001,438) to \$1,248,562</b>

\* Net revenues from the program expected to exceed \$1.3 million annually.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 9 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Department of Economic Development - Division of Professional Registration**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Cooper County Memorial Hospital**, **Department of Transportation** and the **Office of Attorney General** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health (DOH)** assume no fiscal impact. The increase in the contribution for the organ donation fund would be revenue neutral because individuals may only contribute at the time of license renewal, which has been extended to every six years versus every three years. Therefore, the frequency of the donations would decrease.

**Department of Revenue (DOR)** officials assume the following administrative and fiscal impacts:

***Collection of Organ Donation Information***

This proposal requires the Division of Motor Vehicle and Drivers Licensing to modify the driver's license and identification card application process and renewal system to: 1) Obtain information from individuals over the age of eighteen regarding consent to anatomical donation and 2) Allow persons under the age of eighteen to register as donors with parental consent. The inquiry on the application and renewal form shall read "Do you wish to have the organ donor designation printed on your driver's license?"

If the intent of proposal was to obtain ***VERY specific and detailed*** information from an applicant that chose organ donation such as what organs were chosen to be donated, there would a great deal of education and time on the part of field offices to thoroughly explain these questions and that the information being given would be a part of the driver's license and the driver's license is legally binding and doctors can take the organs of a deceased person without consulting family members or further legal action. It would be imperative this be done while giving the applicant the necessary privacy and dignity to discuss this in detail and have all questions answered. ***IF*** this was the intent the FSB anticipates it would require an additional 22 Revenue License Technician I's for the 11 branch offices to screen all driver/non-driver license applicants before they reach the counter.

In order to minimize the risk of entering the information incorrectly, key entry will be done as part of the OTC application process. All questions concerning the organ donor process and designation of specific organs will be listed on OTC screens. Once all the questions have been answered, a form will be printed for the applicant to read, verify, and sign. If any information is

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incorrect or if an applicant has changed his/her mind about the process or about a particular organ, there will be an over-ride option as part of OTC allowing for corrections and reprinting of the form. The signed forms will be sent in to the central office. The FSB estimates an average of 4 additional minutes of processing time will be required for those transactions which include the designation of organ donor. For the last two years, there has been an average of 35,000 applications per month, or 420,000 per year, who have expressed interest in becoming an organ donor. Thirty-three percent, or 138,600 of those transactions were completed in branch offices.

$138,600 \times 4 \text{ minutes} = 554,400 \text{ minutes} \div 60 \text{ minutes} = 9,240 \text{ hours}$   
 $9,240 \text{ hours} \div 2,080 \text{ work hours} = 4.44 \text{ FTE}$

***IF*** the intent of the proposal was to have the Division of MV/DL enter and maintain this VERY specific and detailed information the FSB would require ***26.5 Revenue License Technician I's*** and the associated expense and equipment for these FTE.

**Oversight** assumes that the majority of offices could absorb the additional duties and has therefore allowed only two FTE.

**Drivers License Bureau**

As previously stated above this proposal does not specifically require the Division of MV/DL to obtain any more information than if the person wishes to be an organ donor. The Drivers License Bureau currently asks an individual if they are interested in being an organ donor at the time of license application or renewal. ***IF*** the intent was to simply continue collecting this information and forward it to the Department of Health for inclusion the ***existing donor registry*** the DLB could implement this with existing resources. ***IF*** the intent is to collect additional information it would have a ***significant impact*** on the bureau and additional resources, expenses and equipment would be required.

This proposal also requires the Department to allow individuals to designate organ donation preferences even if the individual is not completing a driver license transaction. The Drivers License Bureau cannot determine the number of individual's who would choose this option; however, it would affect the following processing areas: mail room; license processing; key entry; microfilming; correspondence; telephone calls; central branch office; and valid without photo processing. This would require additional FTE and associated costs (equipment and expenses). The total cost for this portion of the proposal is **UNKNOWN**.

The Drivers License Bureau will incur programming expenses in the amount of \$42,000 to the

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Over-the-Counter system to accommodate the "organ donor" designation on the front of the driver's license or nondriver's license.

This proposal also requires the DLB to give access to hospitals, OPO's, etc. Since the number of individuals asking for access to this information cannot be determined programming costs are **UNKNOWN**.

**DIVISION OF TAXATION**

This proposal requires DOR to provide a space on the face of the individual income tax return for the taxpayer to designate a contribution to the "Organ Donor Program." (Checkoff)

The additional checkoff for the "Organ Donor Program" will need to be added to the Missouri individual income tax returns, MO-1040, MO-1040A, MO-1040B, and MO-1040T.

The new checkoff requires programming modifications to several records in the MINITS system. This includes changes to the batch and on-line programs and screens, changes to statistics/reports, coordination of data transfer with the Telefile and ELF vendors, speed up changes for the new field entry screens, and additional notice messages to existing tables. The Division of Taxation will require three (3) Computer Information Technologist III for 1,211 hours of overtime, two (2) Computer Information Technologist IV for 346 hours of overtime and two (2) Programming Analysis Supervisors for 87 hours of overtime to test and make the above referenced programming modifications.. Total overtime hours = 1,644. Total expense incurred by Taxation for overtime is \$31,668.

**Oversight** assumes all programming changes would need to be completed by January 1, 2001 and has adjusted overtime costs to \$18,000.

The Division of Taxation assumes that the Organ Donor Program checkoff will be processed like other checkoffs on the individual income tax return and it will not bill for the checkoff amount.

**STATE DATA CENTER**

The State Data Center will require an implementation cost of \$5,129 in FY01 to make modifications to the current Missouri Drivers License System (MODL) and the Uniform Field Office System (UFO). This center will also require \$10,584 for taxation system program changes in FY01 and ongoing costs in amount of \$451 for printing and disk storage for FY01, FY02 & FY03.

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**REVENUE IMPACT - Organ Donor Program Fund**

Changes to section 302.171.1 allow a driver license applicant to donate **any** amount they desire to promote organ donation. Currently, 30% of all driver license applicants donate \$1 to the organ donation fund. Allowing applicants to donate any amount would increase funding, however, the amount of increased funding is **UNKNOWN**.

Section 194.249 allows an individual to voluntarily designate a contribution of **any** amount on the state individual income tax return. The Department of Revenue cannot determine the amount of contributions that will be received. The revenue increase to the Organ Donor Program Fund is **UNKNOWN**.

**Oversight** assumes revenue figures based on previous similar proposals. Revenue estimates from previous similar proposals assumed that approximately 30% of motor vehicle registration applicants would donate a \$1 to the organ donor program. (Currently 30% of the drivers license applicants are donating \$1). Therefore, an estimated revenue amount would be \$1,380,000 to unknown ( $4,600,000 \times 30\% = 1,380,000 \times \$1 = \$1,380,000$ ).

Special Note: The estimated increase in donations could be high as all individuals may not donate \$1 at the time of license renewal **AND** motor vehicle registration.

**Oversight** cannot determine the expenditures related to the Organ Donor program. Therefore, Oversight will present an unknown amount of expenditures to the Organ Donor Program Fund. It is estimated that the amount of revenues will exceed the amount of expenditures for this new fund. Oversight has shown total impact to Organ Donor Program Fund equal to \$1,148,732 to unknown in FY01, \$1,379,435 to unknown in FY02, and \$1,379,421 to unknown in FY03 .

**Oversight** notes that the DOR shall retain no more than one percent for its administrative costs from the organ donor program fund. These costs are reflected in the Highway Fund. Oversight has reflected a transfer-in from the Organ Donor Program Fund to repay DOR's administrative costs per year. Therefore, Oversight has calculated the net impact to DOR equal to approximately (\$125,544) for FY01 and (\$55,924) for FY02 and (\$57,315) for FY03 to reflect the reimbursement by the Organ Donor Program Fund.

Officials from the **University of Missouri (UM)** assume a basic program, which would provide no drugs to patients, would cost \$70,000 per year. This would allow eligible patients who meet a means test to have access to pharmacy pricing through UMs contract pharmacy provider. If they provided drugs to eligible low-income transplant patients, UM officials estimated an additional

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annual cost of approximately \$1.75 million. If they also assisted patients by paying for any and all private insurance that patients might be eligible for (thereby shifting some of the cost burden to the private sector insurance), they estimated an additional annual cost of about \$500,000. The **Oversight** has ranged the costs from lowest end of the range to include administrative costs, to the highest end of the range to include providing drugs (\$1.75 million) and patient assistance (\$500,000).

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
<b>HIGHWAY FUND</b>			
<u>Transfer - In</u>			
Transfer from Organ Donor Program Fund for Development and Implementation Cost	\$ 1,268	\$ 565	\$ 579
<u>Costs - Department of Revenue</u>			
Personal Service (2 FTE)	(\$33,620)	(\$42,386)	(\$43,446)
Fringe Benefits	(\$10,338)	(\$13,034)	(\$13,360)
Expense and Equipment	(\$ 6,690)	(\$ 618)	(\$ 637)
Overtime - taxation	(\$18,000)		
OTC Programming - Drivers License	(\$42,000)		
State Data Center Costs	(\$16,164)	(\$ 451)	(\$ 451)
	(\$126,812)	(\$56,489)	(\$57,894)
<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b>(\$125,544)</b>	<b>(\$55,924)</b>	<b>(\$57,315)</b>

**ORGAN DONOR PROGRAM FUND**

<u>Revenues - Department of Revenue</u>			
\$1 Contributions at License Renewal	\$1,150,000	\$1,380,000	\$1,380,000
Donations on the State Income Tax Forms	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

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<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>ORGAN DONOR PROGRAM FUND</b>			
Total <u>Revenue</u> - Department of Revenue	\$1,150,000 to Unknown	\$1,380,000 to Unknown	\$1,380,000 to Unknown
<u>Costs - Organ and Tissue Donor Awareness Board</u> Member Expenses, Advertising Campaign, Grants Contracts, Personal Service and Expense and Equipment Costs _____	(Unknown)	(Unknown)	(Unknown)
<u>Transfer - Out</u>			
Transfer To General Revenue Fund for DOR Development and Implementation Costs	(\$1,268)	(\$565)	(\$579)
<b>ESTIMATED NET EFFECT ON ORGAN DONOR PROGRAM FUND</b>	<b><u>\$1,148,732</u></b>	<b><u>\$1,379,435</u></b>	<b><u>\$1,379,421</u></b>

\* Net revenues from the program expected to exceed \$1.3 million annually.

**GENERAL REVENUE FUND**

<u>Costs - University of Missouri</u>			
Administrative costs	(\$70,000)	(\$71,750)	(\$73,544)
Drugs	\$ 0 to (\$1,750,000)	\$ 0 to (\$1,750,000)	\$0 to (\$1,750,000)
Patient assistance	\$ 0 to (\$500,000)	\$0 to (\$500,000)	\$0 to (\$500,000)
Total <u>Costs</u> - University of Missouri	(\$70,000 to \$2,320,000)	(\$71,750 to \$2,321,750)	(\$73,544 to \$2,323,544)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$70,000 to \$2,320,000)</u></b>	<b><u>(\$71,750 to \$2,321,750)</u></b>	<b><u>(\$73,544 to \$2,323,544)</u></b>

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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

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

DESCRIPTION

This proposal modifies the membership and duties of the Organ Donation Advisory Committee and increases contributions to the organ donation program. In Section 194.300, RSMo, the membership of the Advisory Committee is increased by adding a representative from the Department of Revenue. Section 194.302, RSMo, currently describes the duties of the Advisory Committee. New language adds the requirement that the Committee study the feasibility of providing Internet access to the organ donor registry for authorized personnel. The Committee shall provide a report of its findings. Finally, Section 302.171, RSMo, outlines the procedure individuals must follow when applying for a Missouri driver's license. New language increases the amount that an applicant may donate to promote organ donor programs to any amount. An additional Section 302.171, RSMo, is repealed in this act in order to remove a version of this section that will become ineffective on January 1, 2001.

This proposal would establish a separate organ transplant program to be administered by the Missouri Kidney Program in the University of Missouri. This program would provide assistance for immunosuppressive medications and other services for other organ transplant patients. The Missouri Kidney Program would establish program guidelines and eligibility requirements and will coordinate its efforts with the divisions of Family Services and Medical Services in the Department of Social Services for the effective operation of the organ transplant program.. Funds available for the organ transplant program would be primarily used for providing pharmaceutical services. If other funds become available, other services for the treatment of organ transplant patients may be provided.

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



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SOURCES OF INFORMATION

Department of Health  
Department of Revenue  
Department of Public Safety  
Missouri State Highway Patrol  
Office of Attorney General  
Department of Transportation  
Cooper County Memorial Hospital  
University Hospital and Clinics



Jeanne Jarrett, CPA  
Director  
May 4, 2000