

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3148-09
BILL NO.: HS for HCS for SB 788
SUBJECT: Administration; State Employees; Hospitals
TYPE: Original
DATE: May 2, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$192,255)	(\$208,842)	(\$214,245)
Total Estimated Net Effect on <u>All</u> State Funds	(\$192,255)	(\$208,842)	(\$214,245)

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

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General (AGO), Office of State Courts Administrator (CTS), Department of Natural Resources (DNR), Department of Social Services (DOS), Missouri Consolidated Health Care Plan (HCP), Missouri Department of Conservation (MDC), and the Department of Public Safety - Missouri State Highway Patrol (DPS-MHP)** assume this proposal would not fiscally impact their agencies.

In similar previous proposals, officials from the **Office of the State Auditor (SAU), Department of Transportation (DHT) and the Department of Economic Development - Division of Professional Registration (DED-DPR)** assumed this proposal would not fiscally impact their agencies.

In a similar previous proposal, **Department of Insurance (INS)** officials anticipated current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals.

Officials from the **Department of Health (DOH)** stated they would review corporate compliance programs to determine they meet requirements of this proposal. This would require two FTE total; Health Program Representative III to review submitted compliance programs and a Clerk Typist II to file and submit letters of approval or correction. However, to maintain consistency with DOH's response of zero fiscal impact to a similar component in a previous version of this proposal, **Oversight** did not include costs associated with review of the corporate compliance programs.

DOH states they would provide a training course to train unlicensed staff to meet minimum competency requirements in hospitals and ASCs. Hospitals and ASCs would submit to DOH the training program used to train unlicensed patient care staff. The training course would be prepared in collaboration with the DOH and the TAC. By 12/31/00 DOH would obtain information on the methodology that each hospital and ASC uses to assure adequate licensed registered nurses to supervise sufficient licensed and ancillary nursing personnel to meet the needs of the patients in accordance with accepted standards of nursing practice. DOH would provide technical support for a "Technical Advisory Committee (TAC) on the Quality of Patient Care and Nursing Practices" to develop specific recommendations to improve patient care and insure licensed nurses function knowledgeably and professionally in hospitals and ASCs. The TAC would receive other tasks from the legislature or based on its own direction. The performance of all these duties would require at least four (4) FTE in addition to the two DOH

ASSUMPTION (continued)

employees who are members of the nine-member TAC. The Health Program Representative III would review plans and collect data, plus provide support for the TAC. The Health Facility Nursing Consultant would assist the TAC plus assess plans for patient care by licensed and ancillary nursing staff and other general functions required by this proposal. The Clerk Typist II and a Clerk Stenographer II would support the DOH staff in the new functions and the TAC. The Clerk-Steno II would specifically provide minutes for the TAC plus other clerical duties. The TAC would meet once per month for a two-day session. The new FTE would assist the TAC in required report preparation to the Governor and the Legislature.

DOH officials also stated that DOH must be notified of complaints made by employees against hospitals and ambulatory surgical centers (ASC's). DOH assumes this is to be by correspondence. There would also a follow-up report requirement for DOH regarding data submitted from each hospital and ASC. DOH estimates there would be as much as 300 complaints per year and would require at least four (4) FTE total; one Health Program Representative III and one Clerk Typist II to collect, file and prepare a report as required, one Health Facility Consultant I and one Health Facility Nursing Consultant would investigate the complaints that are not appropriately investigated by the facility or need further investigation. **Oversight** did not include costs associated with complaints in the fiscal impact specifications below, based on DOH's response to a similar previous version of this proposal in which they stated the annual review of complaints would be performed as part of the annual survey and would not be expected to impact the workload of the Division beyond what it is already doing.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Costs - Department of Health (DOH)</u>			
Personal Service (4 FTE)	(\$107,429)	(\$132,139)	(\$135,443)
Fringe Benefits	(33,034)	(40,633)	(41,649)
Equipment and Expense	<u>(51,792)</u>	<u>(36,070)</u>	<u>(37,153)</u>
Total <u>Costs</u> - DOH	(\$192,255)	(\$208,842)	(\$214,245)

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

FISCAL IMPACT - Small Business

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

DESCRIPTION

This act amends the law relating to "whistleblowing" by state employees. Current law prohibits agencies from disciplining employees for disclosing mismanagement, waste of funds and abuse of authority but allows discipline if the employee releases information with reckless disregard for its truth or falsity. This act allows discipline only if the employee knows that the information is false. The act also provides that agencies cannot prohibit employees from contacting the State Auditor.

This bill provides "whistleblower" protections by requiring hospitals and ambulatory surgical centers licensed by the Department of Health (DOH) to implement a written policy regarding employees who report facility mismanagement or violations of applicable laws related to patient care, safety, and related issues. This whistleblowing provision of the proposal would be effective January 1, 2001.

By 7/1/01, all hospitals and ambulatory surgical centers would be required to establish training programs with measurable outcomes relating to quality of patient care and patient safety for unlicensed staff providing patient care. Licensure will be contingent upon associated documentation being submitted to DOH.

DOH would be required to collaborate with the Technical Advisory Committee to develop recommendations for standardized minimal training requirements for unlicensed staff and report such to the House of Representatives and President Pro Tem of the Senate by 12/31/02.

All hospitals and surgical centers would be required to develop and implement a methodology which ensures adequate nurse staffing that will meet the needs of patients. By 12/31/00, all hospitals and surgical centers shall report to DOH regarding the methodology required and verify implementation of that methodology.

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DESCRIPTION (continued)

A Technical Advisory Committee (comprised of nine members) on the Quality of Patient Care and Nursing Practices would be established within the DOH. Members would be appointed on or before 12/1/00. Members would receive no compensation, but would be reimbursed for their actual and necessary expenses.

The proposal outlines duties of the Committee. The initial issue to be considered would relate to appropriate licensed nurse staffing levels within hospitals and ambulatory surgical centers. The Committee would be required to issue an annual report of recommendations no later than 12/31, beginning in 01.

The DOH would be required to provide such support to the Committee as is necessary for it to perform its duties.

The DOH would be required to annually determine the number of hospitals and ambulatory surgical centers with corporate compliance plans.

The proposal would outline standards for enforcing hospital and ambulatory surgical center licensure regulations.

If a deficiency in meeting licensure standards presents a clear and present danger to the safety of patients, the DOH may restrict access to service(s) affected by the deficiency until an approved plan of correction has been developed and implemented.

A hospital or ambulatory surgical center could either appeal such a decision to the Administrative Hearing Commission or seek judicial review.

If both the DOH and hospital or ambulatory surgical center agree to do so, prior to an appeal to the AHC, an official action of the DOH may be appealed to a departmental hearing officer. The DOH would be required to promulgate rules specifying the qualifications of such an officer and establish procedures to ensure impartial decisions and provide for comparable appeal remedies when a departmental hearing officer is unavailable.

The DOH may adopt rules as necessary to implement the above provisions, relating to hospitals and ambulatory surgical centers.

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

MLW:LR:OD:005 (9-94)

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SOURCES OF INFORMATION

Office of Attorney General
Office of State Courts Administrator
Department of Natural Resources
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Public Safety
Missouri State Highway Patrol
Office of the State Auditor
Department of Transportation
Department of Economic Development
Division of Professional Registration
Department of Insurance
Department of Health



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