

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

**L.R. NO.:** 3148-11  
**BILL NO.:** Truly Agreed To And Finally Passed CCS for HS for HCS for SB 788  
**SUBJECT:** Administration; State Employees; Hospitals  
**TYPE:** Original  
**DATE:** June 1, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$178,447)	(\$200,802)	(\$206,083)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$178,447)</b>	<b>(\$200,802)</b>	<b>(\$206,083)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<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 6 pages.

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**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), Department of Public Safety - Missouri State Highway Patrol (DPS-MHP), Office of the State Auditor (SAU), Department of Transportation (DHT), Department of Economic Development - Division of Professional Registration (DED-DPR)** and the **Department of Insurance (INS)** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Health (DOH)** assume they would need five additional staff and associated equipment and expense to implement the provisions in this proposal. The new staff would include two Health Facility Nursing Consultants (2 FTE, each at \$48,120 per year), one Health Facility Consultant I (1 FTE at \$46,080 per year), one Health Program Representative III (1 FTE at \$38,028 per year) and one Clerk Typist III (1 FTE at \$22,164 per year). Annual costs are expected to be approximately \$375,000.

The Department of Health (DOH) must be notified of complaints made by employees against hospitals and ambulatory surgical centers (ASC's). This is assumed to be by correspondence. This could be as many as 300 complaints per year. One Health Facility Consultant I and one Health Facility Nursing Consultant will 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. Additionally, Oversight assumes new staff would be located in existing facilities and therefore, has not included rental costs for the new employees. Adjusted annual costs for implementation would be approximately \$200,000.

DOH must provide a training course to train unlicensed staff to meet minimum competency requirements in hospitals and ASCs. Hospitals and ASCs must submit to DOH the training program used to train unlicensed patient care staff. The training course shall be prepared in collaboration with the DOH and the TAC.

By 12/31/00 DOH shall 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.

ASSUMPTION (continued)

DOH must 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 may receive other tasks from the legislature or based on its own direction. The performance of all these duties will require two professional positions in addition to the two DOH employees who are members of the nine-member TAC. The Health Program Representative III will review plans and collect data, plus provide support for the TAC. The Health Facility Nursing Consultant will assist the TAC plus assess plans for patient care by licensed and ancillary nursing staff and other general functions required by this bill. One (1) Clerk Typist III will support the DOH staff in the new functions and the TAC. The TAC will meet once per month for a two-day session. The new FTE will assist the TAC in required report preparation to the Governor and the Legislature.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Health (DOH)</u>			
Personal Service (3 FTE)	(\$92,516)	(\$113,795)	(\$116,640)
Fringe Benefits	(28,449)	(34,992)	(35,867)
Equipment and Expense _____	<u>(57,482)</u>	<u>(52,015)</u>	<u>(53,576)</u>
Total <u>Costs</u> - DOH	(\$178,447)	(\$200,802)	(\$206,083)

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

FISCAL IMPACT - Small Business

This proposal would be expected to have a direct fiscal impact to small businesses.

DESCRIPTION

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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. Provisions in the bill relating to hospitals and ambulatory surgical centers would be effective January 1, 2001.

By 7/1/01, all hospitals and ambulatory surgical centers would be required to provide training programs with measurable outcomes relating to quality of patient care and patient safety for unlicensed staff providing patient care. The DOH would be responsible for establishing standards for such training.

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.

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 Committee would work with hospitals, nurses, physicians, state agencies, community groups and academic researchers to develop specific recommendations related to staffing, improving the quality of patient care, and insuring the safe and appropriate employment of nurses 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.

DESCRIPTION (continued)

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

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licensure regulations.

If a deficiency in meeting licensure standards presents an immediate and serious threat to the patients' health and safety, 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.

#### SOURCES OF INFORMATION

Office of Attorney General  
Office of State Courts Administrator  
Department of Natural Resources  
Department of Social Services

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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



Jeanne Jarrett, CPA  
Director  
June 1, 2000