

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2712-01
Bill No.: SB 752
Subject: Nurses; Health Care; Health Care Professionals; Medical Procedures and Personnel; Insurance - Medical; Licenses - Professional
Type: Original
Date: January 21, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue*	\$0	(Unknown)	(Unknown)
Insurance Dedicated	\$9,850	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$9,850	(UNKNOWN)	(UNKNOWN)

*Expected to exceed \$100,000 annually.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Revenues and expenditures are expected to exceed \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation** assume this proposal would not fiscally impact their agency.

The Department of Insurance (INS) states that insurers and HMOs would be required to amend their policies or contracts to comply with legislation. Amendments must be filed with their agency. INS estimates that 171 insurers and 26 HMOs would be required to file at least one amendment to their policy form with a filing fee of \$50, resulting in revenue of \$9,850 in the Insurance Dedicated Fund in FY 2003 only. INS assumes that it has reached capacity in policy form reviews and the additional workload created by this legislation will cause delays in policy form reviews. Additional staff are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments the department will need to request additional staff to handle the increase in workload.

Missouri Consolidated Health Care Plan (HCP) officials state initially, this proposal would not impact HCP. HCP states that this proposal may shift costs within the plans as they contract with the registered nurse first assistant. The plans may have some new costs associated with credentialing the new provider group and establishing them in their payment roles, but there may be future savings in using a lower cost provider in certain situations. HCP assumes that the plans may require the registered nurse first assistant to be a contracted (or network) provider.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** assume a registered nurse first assistant is a RN trained to assist in surgery. DMS also assumes that no new services would be covered by the Medicaid program because of this legislation. However, an increase in costs would be anticipated from an increase in providers participating in the Medicaid program. This legislation specifically requires all managed health care delivery entities of any type to provide, within their coverage, all services provided by a registered nurse first assistant. This legislation would require that MC+ Managed Care health Plans include these providers in their provider network and reimburse them for their services.

DMS states due to the changes this legislation would necessitate in the Medicaid fee-for-service program and the MC+ Managed Care program, the fiscal impact is expected to be greater than \$100,000 (1% change to MC+ would be approximately \$5 million annually). DMS assumes that DMS would first incur program costs in FY 04 (effective date is January 1, 2003). DMS state time would be needed to establish criteria for enrollment in the Medicaid program.

DMS states registered nurse first assistants are not currently enrolled as separate provider groups. Their services are covered and reimbursed to hospitals and ambulatory surgical centers as part of

their costs. DMS assumes that the registered nurse first assistants would enroll and participate in ASSUMPTION (continued)

the Medicaid program as a separate provider.

DMS states the Missouri Association of RNFA's estimates there are approximately 300 registered nurse first assistants in Missouri while the Association of Operating Room Nurse's estimate the number is approximately 100 in Missouri. The number of persons who would enroll as a Medicaid provider could reach 300. The DMS Provider Enrollment Unit would need one FTE to enroll these new providers or \$41,503 per year. Start date for the FTE is April 2003.

Oversight assumes the DMS Provider Enrollment Unit could absorb the unknown number of provider enrollments. In a similar proposal from the 2001 legislative session, DMS did not request additional FTE. If multiple proposals pass which would require additional provider enrollments, the DOS could request funding through the appropriation process.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** deferred the fiscal impact response to the Department of Transportation.

Officials from the **Department of Transportation (DHT)** and the **Department of Economic Development - Division of Professional Registration (DPR)** did not respond to our fiscal impact request. However, in a response to a similar proposal last session DHT and DPR stated there would not be a fiscal impact to their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Costs - Department of Social Services</u>			
Medical assistance payments*	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>

*Expected to exceed \$100,000 annually.

INSURANCE DEDICATED FUND

<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>

FEDERAL FUNDS

<u>Income</u> - Department of Social Services			
Medicaid reimbursements	\$0	Unknown	Unknown
<u>Costs</u> - Department of Social Services			
Medical assistance payments	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*Revenues and expenditures are expected to exceed \$100,000 annually and would net to \$0

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could be expected to be fiscally impacted to the extent that they could incur increased health insurance premiums as a result of this proposal.

DESCRIPTION

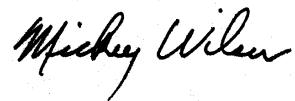
This proposal requires specific health plans to cover all services provided or ordered by registered nurse first assistants. A "registered nurse first assistant" (RNFA) is defined as a registered nurse, licensed in Missouri, who has received additional certification through a nationally-recognized professional organization to become a RNFA or who meets the criteria for RNFAs established by the Missouri State Board of Nursing. If so certified, then all services provided by RNFAs shall be covered by the specified health plans, including Medicaid.

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 Insurance
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri State Highway Patrol
Department of Conservation

NOT RESPONDING: Department of Highway and Transportation and Department of Economic Development - Division of Professional Registration.



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