

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3922-07
Bill No.: Perfected SS for SCS for SB 1107
Subject: Ambulances and Ambulance Districts; Emergencies; Health Care Professionals; Health Dept.; Licenses - Misc.; Medical Procedures and Personnel; Motor Carriers; Boards, Commissions, Committees, Councils; Counties; County Government; Fire Protection; Political Subdivisions; Taxation and Revenue - Property; Taxation and Revenue - Sales and Use
Type: Original
Date: April 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

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

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Department of Public Safety - Division of Fire Safety, Office of Administration - Division of Facilities Management, Department of Economic Development, Office of State Treasurer and Office of State Courts Administrator** assume the proposed legislation will have no impact on their organizations.

Officials from the **Office of Prosecution Services** costs related to the proposed legislation can be absorbed within current resources.

Officials from the **Department of Health and Senior Services (DOH)** stated this legislation would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the DOH would request funding through the legislative process.

In response to a similar piece of legislation introduced this session, the DOH officials stated the proposed legislation would result in an increase in revenues from licensing of stretcher vans, but the increase would be negligible because there are very few stretcher van services operating in Missouri.

Officials from the **Department of Social Services - Division of Medial Services (DMS)** stated the DMS does not anticipate a material fiscal impact from this legislation assuming that the Department of Health and Senior Services will continue to use the same standard of staffing levels of expertise that they require today. The NEMT program uses stretcher vans to transport Medicaid recipients when appropriate. The NEMT program is administered by a broker. The current contract with the broker is for one year with three optional one year renewals.

Officials from the **Office of Administration (COA) - Administrative Hearing Commission** anticipate this legislation will not significantly alter its caseload. However, if other similar bills also pass, there will be a fiscal impact. If there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **COA - Division of Budget and Planning (BAP)** stated the proposed legislation, with amendments, should not result in additional costs or savings to the BAP. There could be impact on total state revenue.

Officials from the **Office of the Secretary of State (SOS)** state this bill revises requirements and regulations for ambulances, emergency services and personnel. The Department of Health and Senior Services will promulgate rules to implement this bill. Based on experience with other divisions, the

ASSUMPTION (continued)

rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 68 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$4,182 [(68 pp x \$27) + (102 pp x \$23)].

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Attorney General** did not respond to our request for a statement of fiscal impact.

Officials of the **Department of Revenue** stated that in order to collect the additional sales tax the MITS system would need to create the district boundaries when they are different from municipality and/or county boundaries. The DOR would also report and distribute the tax collected to the district. The above program changes would require 692 hours of programming at a total cost of \$23,085. The State Data Center cost to implement the proposed legislation would be \$4,503. Total cost for FY 2003 would be \$27,588. If any county district would adopt the sales tax the DOR would retain a 1% collection fee, that would go into the State's General Revenue Fund. The amount collected in a given year is Unknown, and would depend upon the number of entities that would receive voter approval to impose a sales tax, and the amount of sales that would occur in a given area.

Oversight assumes should an ambulance or fire protection district receive voter approval to impose a sales tax the following would occur. According to Section 321.554.1, after the first year the sales tax would have been in effect, and after determining it's budget for the year, and making adjustments to the levy as required by law, the district board would be required to reduce the total operating levy of the district in an amount, that would decrease the revenue it would have received in an amount equal to fifty percent of the previous fiscal year's sales tax receipts. Since this proposal is permissive Oversight does not know if a sales tax would be adopted by any district, therefore, revenues cannot be determined and will be shown as \$0 to Unknown. Revenues would be used for operation of the district. Oversight will show income to the districts as \$0 to Unknown. Because the money is additional and is understood to ASSUMPTION
(continued)

be used for operation of the district, cost will not be shown. Income to the State's General Revenue Fund will be shown as \$0 to Unknown.

The proposed legislation may result in an increase in Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Income</u> to DOR			
from 1% collection fee on sales tax	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> to DOR			
from programming costs	<u>\$0 to (\$27,588)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND*	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
FIRE PROTECTION AND/OR AMBULANCE DISTRICTS			
<u>Income</u> - Personal Property Taxes from taxpayers covered by a fire protection district and an ambulance district	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT ON FIRE PROTECTION AND/OR AMBULANCE DISTRICTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
FIRE AND AMBULANCE DISTRICTS TRUST FUND			
<u>Income</u> to certain political Subdivisions from voter approved sales tax	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Loss</u> to Certain Political Subdivisions reduction of property tax levy (Section 321.554)	<u>\$0*</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT TO FIRE OR AMBULANCE DISTRICT TRUST FUND **	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

* According to subdivision 2 of Section 321.554 the first year in which a sales tax is collected the tax rate would not be reduced as defined in Section 137.073, RSMo.

** Oversight assumes that income from the sales tax would be greater than the loss of income from the reduction of the property tax levy by 50% of the previous year's sales tax revenues.

FISCAL IMPACT - Small Business

The proposed legislation may have a negative fiscal impact to small stretcher van businesses because they will be required to have a two-staff person crew. The net effect is unknown.

DESCRIPTION

This act revises the requirements to be a candidate for Ambulance District Director (Section 190.050). Procedures for changes in the number of directors in a district and the recall of directors are created (Sections 190.051 to 190.054). Any person or entity that owns an automated external defibrillator used outside of a health care facility must have a physician review all protocols (Section 190.092). The definition of "first responder" is deleted (Section 190.092).

The State Advisory Council on Emergency Medical Service should seek to have representation from air ambulance services and at least one member of each regional EMS committee must be

associated with an air ambulance service.

With certain exceptions, each ground ambulance must be staffed by two licensed emergency medical technicians(Section 190.105). Owners of a ground or air ambulance service must notify the Department of Health and Senior Services within 30 days of the sale of the service and the Department shall conduct an inspection of the service to ensure compliance with licensure standards (Sections 190.105 and 190.108).

After June 1, 2003, no air ambulance provider shall be eligible for medicaid reimbursement or receive a new air ambulance license unless it demonstrates to the Department that it is accredited or applied for accreditation from a nationally recognized aeromedical transport accrediting association that was selected by the Department (Section 190.108). Application requirements for an ambulance license are revised (Sections 190.109 and 190.120). Air ambulance providers must carry a minimum of \$20 million in general liability insurance that includes coverage for damage to buildings caused by an aircraft (Section 190.120). Air ambulance aircraft and personnel must comply with all requirements to provide advanced life support level of care (Section 190.122).

The act provides that all levels of emergency medical technician may provide pre-hospital emergency patient care and continued emergency care in a health facility (Section 190.142). Provided the person meets other current requirements for a temporary license, a person not currently licensed as an emergency medical technician in Missouri may be issued a 90-day temporary license (Section 190.143). Additional causes for discipline of an ambulance license are created. Any individual whose license has been revoked twice in ten years shall not be eligible for a new license (Section 190.165).

Any settlement agreement in a contested case against a licensee must be submitted to the administrative hearing commission for its approval. Any person directly harmed by the actions of a licensee may submit an impact statement to the Commission (Section 190.172).

A patient care document must be given to ambulance personnel by a health care facility for any transfer of the patient to a different facility (Section 190.175).

DESCRIPTION (continued)

Requirements regarding the reporting of certain felonies by licensees to the Department are created (Section 190.196).

The act creates procedures for the issuance and discipline of a new license category for stretcher van services to transport persons in a supine position who do not require medical monitoring or treatment other than self-administered oxygen (Sections 190.525 to 190.537). Any person who violates the provisions of Sections 190.525 to 190.527 shall be guilty of a Class B misdemeanor (Section 190.534).

This act allows the governing body of an ambulance or a fire protection district, except for those

in counties of the first class with over 200,000 inhabitants, to impose an up to one-half of one percent sales tax on all retail sales within the district following voters' approval.

The Department of Revenue will collect and distribute the revenue from the district sales tax monthly at the cost of one percent the total revenue collected. After collecting and distributing the sales tax, the board of the ambulance or fire protection district will determine its budget for the year and determine the amount of property tax necessary to fund the district. The district may then reduce the tax rate by an amount which reduces the property tax revenue by an amount equal to fifty percent of the previous fiscal year's sales tax receipts.

When the governing body of the ambulance or fire protection district receives a petition signed by at least twenty percent of the qualified voters that voted in the last gubernatorial election, calling for an election to repeal the sales tax, the governing body will submit the question to the voters.

Section 190.044, RSMo, has been deleted. This section relieved a taxpayer of the obligation to pay property taxes for ground ambulance service to both an ambulance district and a fire protection district unless certain conditions were met.

This act revises the qualifications of candidates for fire protection district directors in third and fourth class counties. A candidate must reside in the district for two years before the election or appointment.

Currently, the candidate must reside in the county in which the district is located for two years.

A candidate for director in a newly formed district must reside in the district for one year before the election or appointment.

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

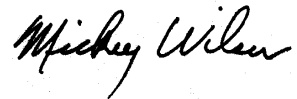
SOURCES OF INFORMATION

Department of Insurance
Office of Prosecution Services
Office of State Courts Administrator
Office of State Treasurer
Department of Social Services
Office of Administration - Administrative Hearing Commission
Department of Public Safety - Division of Fire Safety
Department of Revenue
Office of Secretary of State
Department of Economic Development
Department of Health and Senior Services

NOT RESPONDING: Office of Attorney General

HW-C:LR:OD (12/01)

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent 'M' and 'W'.

Mickey Wilson, CPA
Acting Director
April 18, 2002