

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4838-01
Bill No.: HB 1608
Subject: Physicians; Health Care
Type: Original
Date: December 30, 2015

Bill Summary: This proposal requires any pain management clinic not associated with a hospital to be owned by a physician who is board certified in pain management.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Less than \$155,254)	(Less than \$528,788)	(Less than \$528,464)
Total Estimated Net Effect on General Revenue	(Less than \$155,254)	(Less than \$528,788)	(Less than \$528,464)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	2	6	6
Total Estimated Net Effect on FTE	2	6	6

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DHSS)** assume there is currently no regulation of pain management clinics, therefore DHSS is unsure of the number of pain management clinics in existence in Missouri. For fiscal note purposes, we are assuming there may be as many as 150 such clinics. In order to administer the program, the following staff will be needed:

One Health and Senior Services Manager (HSSM), at \$64,802 annually, will be responsible for the development and oversight of the program. This will include development and promulgation of rules, hiring and supervision of staff, identification of and outreach to pain management clinics, etc.

One Health Program Representative (HPR) II, at \$34,944 annually, will process documents, perform data entry, track due dates, etc. and assist the manager in implementation of the program.

Four Health Facilities Nursing Consultants (HFNC), at \$53,124 annually, to perform inspections and complaint investigations at the pain management clinics. Each HFNC would be responsible for regulatory activities related to approximately 40 pain management clinics.

It is assumed for fiscal note purposes that the HSSM and HPR would be employed for ten months of FY 2017 and that the four HFNCs would be hired on July 1, 2018. The HFNCs are assumed to be telecommuters. Total costs would be \$155,254 for FY17, \$528,788 for FY18, and \$528,464 for FY19.

An existing data system will be used to track the pain management clinics and no ITSD development will be required.

Section 197.600.4 requires the DHSS to promulgate rules and regulations to implement the provisions of Section 197.600. The section would allow the DHSS to require pain management clinics to submit a certification/licensure fee. DHSS presumes that fees would be set at a level necessary to cover costs per the language. The legislation does not indicate into what fund fees are to be deposited. For fiscal note purposes, DHSS assumes the fees will go into General Revenue, and all costs are to be paid by General Revenue.

Oversight assumes the fees created by DHSS may not cover the annual costs of certifying pain management clinics.

ASSUMPTION (continued)

Officials from the **Department of Transportation**, the **Department of Social Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Missouri Consolidated Health Care Plan**, the **Department of Public Safety - Missouri Highway Patrol**, and the **Missouri Department of Conservation** each assume the current proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<u>Revenue - DHSS (Section 197.600.4)</u>			
Fee Income	Unknown	Unknown	Unknown
 <u>Costs - DHSS (Section 197.600)</u>			
Salaries	(\$83,122)	(\$315,364)	(\$318,518)
Fringe Benefits	(\$39,529)	(\$146,709)	(\$147,571)
Equipment & Expenses	<u>(\$32,603)</u>	<u>(\$66,715)</u>	<u>(\$62,375)</u>
<u>Total Costs - DHSS</u>	<u>(\$155,254)</u>	<u>(\$528,788)</u>	<u>(\$528,464)</u>
FTE Change - DHSS	2 FTE	6 FTE	6 FTE
 ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Less than \$155,254)</u>	<u>(Less than \$528,788)</u>	<u>(Less than \$528,464)</u>
 Estimated Net FTE Change on the General Revenue Fund	2 FTE	6 FTE	6 FTE
 <u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses operating as pain management clinics may incur costs relating to complying with new legislation.

FISCAL DESCRIPTION

The proposed legislation would define “pain management clinic”, require any such clinic not affiliated with a hospital to be owned by a licensed physician, and require any such clinic to be certified by the Department of Health and Human Services.

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, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Department of Transportation
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Public Safety - Missouri Highway Patrol



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