

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4691-01
Bill No.: HB 2104
Subject: Elderly; Health Care; Health Dept.; Nursing and Boarding Homes
Type: Original
Date: April 1, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown less than \$47,532)	(Unknown less than \$49,433)	(Unknown less than \$51,411)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown less than \$47,532)	(Unknown less than \$49,433)	(Unknown less than \$51,411)

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

* Revenues and expenditures Unknown less than \$82,000 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 **Office of the Secretary of State (SOS)** state this bill requires the Department of Health and Senior Services and the State Nursing Board to revise their rules and regulations as they relate to offering residents of long-term care facilities the influenza and pneumonia vaccinations on an annual basis. This will require slight modifications in their rules. Based on historical data from these agencies, this piece of legislation could require as many as 6 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of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn.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 \$369 [(6 pp x \$27) + (9 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 **Department of Mental Health (DMH)** stated this bill affects the Department of Social Services. The DMH already gives such immunizations to clients in its long-term care facilities. The only clients which might be affected would be the 969 eligible clients in the supported community living program. This bill is written for section 198, RSMo, which covers the Department of Social Services. If the rules promulgated would require the DMH to immunize its SCL clients, the cost would be minimal.

Officials from the **Department of Health and Senior Services (DOH)** stated that although the DOH inspection process would need to be expanded to ensure facilities comply with the requirements to provide immunizations to residents, the DOH believes the affect on workload would be insignificant and can be handled by existing staff. The primary responsibility for implementing this law would fall on long-term care facilities. The DOH would have an assurance role.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** stated the DMS is assuming that the cost of the immunization requirements will be covered through the Medicaid pharmacy program and not included in the nursing facility per diem rate. The DMS also assumes that some residents are already receiving the immunizations through their physician. The DMS ASSUMPTION (continued)

has no way of determining the number of residents that would be affected by the new legislation as some already receive these services. Medicare Part B covers both immunizations. All

calculations were figured assuming all residents without Medicare Part B coverage would be affected.

During FY 01, there were 39,263 Medicaid nursing home residents. 88.05% of Medicaid nursing home residents had Medicare Part B coverage; 11.95% do not.

According to the Pharmacy Unit within DMS, the price of the immunization for influenza is a flat \$5.13 no matter what brand is given. The price of the immunization for pneumonia is an average of the wholesale price and is different by the brand given. However, \$21.00 is the average rate.

The projected cost for FY 03 is \$102,167; FY 04 is \$127,504; and FY 05 is \$132,604. A federal match rate of 61.23% is used for each year.

Calculation:

Number of Medicaid residents - FY 01	39,263
Percent without Medicare Part B coverage	<u>11.95 %</u>
Number of Medicaid residents which Medicaid Pharmacy program would cover immunizations	4,692
Influenza immunization cost	\$ 5.13
Pneumonia immunization cost	<u>\$21.00</u>
Total immunization cost per unit	<u>\$26.13</u>
Annual cost for FY 03	\$122,600
Annual cost for FY 04 (trended 4%)	\$127,504
Annual cost for FY 05 (trended 4%)	\$132,604

FY 04 and FY 05 were trended forward by 4% because the cost of the pneumonia immunization is based on the average wholesale cost and would increase accordingly (4% is the normal trend used by DMS for Medicaid costs).

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
Immunization Costs	<u>(Unknown less than \$47,532)</u>	<u>(Unknown less than \$49,433)</u>	<u>(Unknown less than \$51,411)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Total <u>Costs</u> - Department of Social Services	<u>(Unknown less than \$47,532)</u>	<u>(Unknown less than \$49,433)</u>	<u>(Unknown less than \$51,411)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown less than \$47,532)</u>	<u>(Unknown less than \$49,433)</u>	<u>(Unknown less than \$51,411)</u>
FEDERAL FUNDS			
<u>Income - Department of Social Services</u>			
Medicaid Reimbursements	Unknown less than \$75,068	Unknown less than \$78,071	Unknown less than \$81,193
<u>Costs - Department of Social Services</u>			
Medicaid Reimbursements	<u>(Unknown less than \$75,068)</u>	<u>(Unknown less than \$78,071)</u>	<u>(Unknown less than \$81,193)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

* Revenues and expenditures Unknown less than \$82,000 annually and 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

The proposed legislation would have an indeterminate economic impact on any long-term, adult day care or assisted living facility that may incur costs to purchase vaccines and administer immunizations to residents.

DESCRIPTION

This bill requires long-term care facilities to offer residents the opportunity to receive influenza and pneumonia vaccinations at the facility on an annual basis or upon admission. The facilities are not required to administer the vaccines, but they are required to make them available or contract with individuals who will administer the vaccine. The Department of Health and Senior Services is required to determine how facilities will document compliance.

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

Office of Secretary of State
Department of Health and Senior Services
Department of Mental Health
Department of Social Services



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Acting Director
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