

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0180-01  
Bill No.: SB 45  
Subject: Elderly; Health Care; Health Department; Medical Procedures and Personnel;  
 Nursing and Boarding Homes  
Type: Original  
Date: January 14, 2003

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(Unknown less than \$28,341)	(Unknown less than \$29,616)	(Unknown less than \$30,949)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$28,341)</b>	<b>(Unknown less than \$29,616)</b>	<b>(Unknown less than \$30,949)</b>

<b>ESTIMATED NET EFFECT ON OTHER FUNDS</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Revenues and expenditures are unknown less than \$50,000 annually and net to \$0.**

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** stated the DMS is assuming that the costs 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 65 years of age or older are already receiving the immunizations through their physician, but DMS does not know how many. All calculations were figured assuming all nursing home residents 65 years of age or older without Medicare Part B coverage would be affected.

During FY 02, there were 33,579 Medicaid nursing home residents 65 years of age or older and 7.7% of this population did not have Medicare Part B coverage. According to the Division of Family Services, there were 2,975 Medicaid RCF I and RCF II residents 65 years of age or older. Since DMS does not maintain data on RCF residents, DMS is assuming the same percent of RCF residents do not have Medicare Part B Coverage as nursing home residents (7.7%). DMS assumes 2,815  $\{(33,579 \times 7.7\%) + (2,975 \times 7.7\%)\}$  individuals would need immunizations.

According to the Medicare Unit within DMS, Medicare Part B would cover both immunizations

at an RCF if an approved Medicare provider administered the shots. DMS assumes the shots will be administered by an approved Medicare provider.

ASSUMPTION (continued)

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, therefore, affected by the brand given. However, \$21.00 is the average rate. DMS assumed an inflation factor of 4.5%.

The projected cost for FY 04 is \$73,556; FY 05 is \$76,866; and FY 06 is \$80,325. A federal match rate of 61.47% is used for each year.

Officials from the **Department of Health and Senior Services (DOH)** state the primary responsibility for implementing this law would fall on long-term facilities, residential care facilities I, residential care facilities II, and adult day care facilities. The DOH assumes they would have an assurance role. Although the DOH inspection process would need to be expanded to ensure facilities comply with requirements to provide immunizations to residents, DOH assumes the additional workload can be handled by existing staff, as the legislation is currently worded.

Officials from the **Department of Mental Health (DMH)** state that DMH already gives immunizations to its clients in long term care facilities and assumes no fiscal impact. The DMH assumes the number of DMH clients in RCFs I and II is small and assumes the cost of immunizations to them should be covered by the facility or Department of Social Services.

Officials from the **Secretary of State (SOS)** state this proposal requires certain facilities to provide immunizations for influenza and pneumonia to elderly residents. The DOH would promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations, and forms issued by the DOH could require as many as 18 pages in the *Code of State Regulations* and half again as many pages in the *Missouri Register* because cost statements, fiscal notes and the like are not repeated in Code. The SOS states these costs are estimated. The estimated cost of a page in the Register is \$23 and the estimated cost of a page in the Code is \$27. The actual cost could be more or less than the numbers given. The impact of the legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. The SOS estimates the cost of this proposal to be \$693 [(18 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.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Social Services</u>			
Immunization Costs	<u>(Unknown less than \$28,341)</u>	<u>(Unknown less than \$29,616)</u>	<u>(Unknown less than \$30,949)</u>
Total <u>Costs</u> - Department of Social Services	<u>(Unknown less than \$28,341)</u>	<u>(Unknown less than \$29,616)</u>	<u>(Unknown less than \$30,949)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown less than \$28,341)</u></b>	<b><u>(Unknown less than \$29,616)</u></b>	<b><u>(Unknown less than \$30,949)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - Department of Social Services</u>			
Medicaid Reimbursements	Unknown less than \$45,215	Unknown less than \$47,250	Unknown less than \$49,376
<u>Costs - Department of Social Services</u>			
Medicaid Reimbursements	<u>(Unknown less than \$45,215)</u>	<u>(Unknown less than \$47,250)</u>	<u>(Unknown less than \$49,376)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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\$0

\$0

\$0

### 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 proposal requires certain care facilities to provide immunizations for influenza and pneumonia to their residents 65 years of age or older. A new Section 198.074 is created to require long term care facilities, residential care facilities I, and residential care facilities II to provide such immunizations annually or upon admission. The DOH must develop rules for documenting compliance, including the documentation of residents who refuse the immunization. The DOH may not impose a violation on a facility for not making an immunization available if a shortage exists.

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



Mickey Wilson, CPA  
Director

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