

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3539-01
Bill No.: SB 1030
Subject: Children and Minors; Employees-Employers; Health Care; Insurance-Medical;
 Medicaid; Public Assistance; Social Services Department
Type: Original
Date: February 10, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$150,000 to \$187,500)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$150,000 to \$187,500)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives**, the **Missouri Senate**, and the **Department of Health and Senior Services** assume this proposal would not impact their agencies.

Officials from the **Department of Mental Health (DMH)** assume some employers of DMH clients and employers of adults responsible for providing support to proposed beneficiaries who are DMH clients will be included in the report. However, DMH assumes no fiscal impact since the DOS will be responsible for gathering and reporting such information.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume the Family Support Division would generate the report and therefore, DMS would have no fiscal impact.

Officials from the **Department of Social Services - Family Support Division (FSD)** state as a routine part of their job, Income Maintenance caseworkers within the FSD currently collect data regarding the employer's name and location for each Medicaid beneficiary or any adult who is responsible for providing all or some of the proposed beneficiary's support. The data is collected

ASSUMPTION (continued)

at the time of application and updated at each subsequent reinvestigation of the household's circumstances.

FSD states the employer information would be compiled annually by DOS Research and Evaluation into a report for transmittal to the general assembly. The report would also be made available to the public on the DOS Internet website.

The FSD anticipates that changes to the online data collection system through the Information Services and Technology Division (ISTD) would assist in tracking and compiling employer information as outlined in this proposal. The FSD assumes no fiscal impact to FSD.

Officials from the **Department of Social Services - Information Systems and Technology Division (ISTD)** state the ISTD would have to enhance the Income Maintenance System with an interface for the caseworker to input the employer information and a database record to store the information.

ISTD states that DOS would be required each July 1st, to transmit to the general assembly a report identifying each company name, location, and the total number of employees and dependants who are enrolled in each program. ISTD would need annual programming in place to produce such a report.

ISTD states contractors would be responsible for developing, testing, and implementing the following business needs into the Income Maintenance System: (1) Build a mechanism for caseworkers to enter and modify employer, client, and relationship data, (2) Tie the new data to existing medical eligibility tracking within the Income Maintenance system, (3) Create an annual batch process (at a minimum), to extract data for the employer report.

ISTD estimates 2,000 to 2,500 hours of labor would be required, which is based on past Income Maintenance projects with similar complexity. This labor is a one-time expense. The average contractor rate, for contractors who specialize in the technology used in the Income Maintenance system, is \$75 per hour. ISTD estimates the range of costs to be: \$150,000 (2,000 hours x \$75) to \$187,500 (2,500 hours x \$75). ISTD will use existing resources for database administration, developing the report, publishing the report on the internet, and maintaining enhancement made to the Income Maintenance System.

ISTD states the State Data Center costs to ISTD are unknown due to the uncertainty of the number of records to store and process.

ASSUMPTION (continued)

With consideration of the assumptions listed above, ISTD estimates that the fiscal impact of this legislation is unknown, greater than \$150,000.

Oversight assumes ISTD can absorb state data center costs and **Oversight** assumes the cost will be \$150,000-\$187,400 in FY 06.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE

Costs - Department of Social Services -
 Information Systems and Technology
 Division

Programming costs	<u>(\$150,000 to \$187,500)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$150,000 to \$187,500)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires applicants for health care benefits under programs such as Medicaid and CHIPs to identify the employer of the proposed beneficiary. If the proposed beneficiary is not employed, the applicant shall identify the employer of the adult who is providing some or all of the proposed beneficiary's support.

DESCRIPTION (continued)

By the first of July every year, the Department of Social Services must deliver a report to the General Assembly listing all of the employers identified in this application process. The report shall include the company's name, location and the total number of employees and their dependants who are enrolled in the state's health care programs. This report shall also be available to the public through the Department's website.

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 Social Services
Missouri Senate
Missouri House of Representatives
Department of Mental Health
Department of Health and Senior Services



Mickey Wilson, CPA
Director
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