

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4503-01
Bill No.: HB 1580
Subject: Economic Development; Health Care; Health, Public; Hospitals; Nursing and
Boarding Homes
Type: Original
Date: March 28, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state there is no fiscal impact to the DMS. DMS assumes that the passage of this proposal would not increase hospital utilization. DMS assumes the critical access hospitals would still be required to obtain a Certificate of Need.

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal would not fiscally impact the operations of the DOH. DOH states if a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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 at least 5% of all loans, grants, and other moneys approved annually by the Missouri Development Finance Board for project use to be awarded to critical access hospitals. A "critical access hospital" is defined as a Medicare-provider hospital designated as a critical access hospital by the state in the state's plan with the Centers for Medicare and Medicaid Services under the federal Medicare Rural Hospital Flexibility Program or a project for new construction of a critical access hospital with a certification letter from the Centers for Medicare and Medicaid Services.

Any year in which less than 5% of all loans, grants, and other moneys approved is not awarded, the moneys will carry over to the next year and only be awarded to critical access hospitals. Any money reserved for critical access hospitals that exceeds 10% of all loans, grants, and other moneys can be used for any other purpose. Any unused reserved moneys after the expiration date can also be used for any other purpose.

Any loans, grants, or other moneys received by critical access hospitals after January 1, 2007, can only be used for design and construction expenses of new hospitals.

The provisions of the bill will expire 10 years from the effective date.

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

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SOURCES OF INFORMATION

Department of Social Services
Department of Health and Senior Services
Department of Economic Development

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
March 28, 2006