

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3900-09
Bill No.: Truly Agreed To and Finally Passed CCS#2 for HCS for SCS for SB 754
Subject: Boards, Commissions, Committees, Councils; Cemeteries; Cities, Towns, Villages; Contracts and Contractors
Type: Original
Date: June 4, 2010

Bill Summary: This proposal modifies provisions relating to the licensing of certain professions, with penalty provisions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Unknown greater than \$212,582) to \$106,167	(Unknown greater than \$216,748) to \$110,095	(Unknown greater than \$221,067) to \$114,169
Total Estimated Net Effect on General Revenue Fund	(Unknown greater than \$212,582) to \$106,167	(Unknown greater than \$216,748) to \$110,095	(Unknown greater than \$221,067) to \$114,169

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and costs would net to be \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Agriculture, Department of Elementary and Secondary Education, Department of Highways and Transportation, Department of Natural Resources, Department of Labor and Industrial Relations, Department of Economic Development, Department of Insurance, Financial Institutions and Professional Registration, Missouri Consolidated Health Care Plan, Department of Conservation, Office of Administration-Administrative Hearing Commission, Office of State Treasurer, Parkway School District, Office of the State Auditor, Missouri Senate, Office of Lieutenant Governor, Missouri State University, Missouri Ethics Commission, Joint Committee on Public Employee Retirement, Linn State Technical College, City of Centralia, Missouri Sheriffs' Retirement System, Missouri State Employee's Retirement System, Missouri Veterans Commission** and the **Little Blue Valley Sewer District** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Public Safety - Director's Office (DPS)** assume there would be no fiscal impact for the non-insurance provisions. For the insurance provisions, DPS defers to MCHCP and its response to any possible fiscal impact.

Officials from the **Office of Secretary of State** assume authority is given to the Department of Insurance and Professional Registration and the Department of Health and Senior Services to promulgate rules. These rules will be printed by our Division in the Missouri Register and the Code of State Regulations. Based on experience with other Departments, the rules, regulations, and forms issued by the Department of Insurance and Professional Registration and the Department of Health and Senior Services could require as many as 64 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes, and the like are not repeated in the Code. These costs are estimated. 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 cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of publishing related to this proposal. If multiple bills pass which require publishing at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (continued)

Officials from the **Office of Attorney General** assume that it would need (1) AAG I to assist with any licensing and miscellaneous issues that would arise should this proposal be enacted. The AGO estimates this new (1) AAG I will cost \$73,385 in FY 2011, \$89,050 in FY 2012, and \$91,721 in FY 2013.

Oversight assumes the AGO could absorb any costs within existing resources. If the AGO experiences an increase in licensing and disciplinary proceedings that would require additional funding, the AGO could request the funding through the appropriations process.

Officials from the **Office of the Governor** state there should be no added cost to the Governor's Office as a result of this bill. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Section 208.010:

Officials from the **Department of Social Services (DSS)** assume there is no fiscal impact to DSS.

Currently, funeral homes return any remaining funds from an irrevocable prearranged funeral or burial contract to the beneficiary or family member of the deceased.

This legislation would change this law so that any person receiving public assistance who has an irrevocable preneed or burial contract that has remaining funds after the services and burial, be refunded to the state of Missouri. Once the state of Missouri recoups the moneys spent in public assistance benefits for that person, the remainder would go to the family members of the deceased.

This legislation also clarifies that any life insurance policy where the seller or provider is a beneficiary would not be considered an asset when determining eligibility or the amount of public assistance for that beneficiary.

This legislation would result in no fiscal impact to the Family Support Division (FSD). Funds that currently go to the beneficiary and family members of the deceased would now reimburse the state of Missouri for benefits paid. It is the FSD's assumption that this money will be returned to MO HealthNet Division (MHD).

The FSD does not currently count any policy that a person is named beneficiary of as an asset.

ASSUMPTION (continued)

Section 208.198:

Officials from the **Department of Social Services-MO HealthNet Division (MHD)** states optometrists are not always reimbursed the same as physicians for similar services. Therefore, equalizing reimbursement between these groups of providers would yield a range between a cost of \$306,680 and a savings of \$289,205. If optometrist rates would be raised to ophthalmology (physician) rates MHD would incur a cost. If ophthalmology rates would be reduced to optometrist rates MHD would incur a savings.

The range of costs to savings for the first year (FY11) are (\$306,680) to \$289,205. An inflation factor of 3.7% is applied to FY12 and FY13. FY11: (\$306,680) to \$289,205 ((\$112,582) to \$106,167 GR); FY12: (\$318,027) to \$299,906 ((\$116,748) to \$110,095 GR); and FY13: (\$329,794) to \$311,003 ((\$121,067) to \$114,169 GR).

Sections 214.160 - 214.550:

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court. If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase of direct offender costs either through incarceration (FY09 average of \$16.04 per offender, per day, or an annual cost of \$5,855 per inmate) or through supervision provided by the Board of Probation and Parole (FY09 average of \$3.71 per offender, per day or an annual cost of \$1,354 per offender).

The DOC assumes the narrow scope of the crime will not encompass a large number of offenders, the low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence, and the probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another. Therefore, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Section 301.142:

Officials from the **Department of Revenue (DOR)** state this proposal will have minimal impact to the Department. The proposal adds “physician’s assistant” to the definition of “other authorized healthcare practitioner” for purposes of issuing a disabled person license plate and placard.

DOR assumes the following:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 11.
- The Physicians Statement for Disabled Person Plates/Placard (DOR-1776) will need to be revised to include the new addition. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 11.
- The Department’s web site will need to be updated to include the update. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 11.

Total cost in FY 11: \$1,828

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Sections 344.010 & 344.020:

Officials from the **Department of Health and Senior Services** state the Bureau of Nursing Home Administrators (BNHA) would administer examinations of prospective Residential Care Facilities (RCF) administrators and issues the licenses. The increase in applications and testing can be handled with existing staff.

The proposed legislation would require BNHA to promulgate new rules pertaining to qualifications for prospective RCF Administrator including new definitions. The rules would be promulgated and administration of testing for RCF licensure would be accomplished through existing staff.

ASSUMPTION (continued)

BNHA is currently implementing an automated system that will allow current and prospective administrators to apply for examinations, pay fees, and update information. In order to implement the changes resulting from passage of this legislation, BNHA would need to work with the Information Technology Services Division (ITSD) to modify the application. ITSD would conduct an analysis assessing the necessary modifications and accompanying costs. The impact for this modification is unknown at this time.

Oversight assumes the DHSS could absorb the additional ITSD modifications that may result from this proposal within existing resources. Oversight assumes any significant increase in the workload of the DHSS would be reflected in future budget request.

Section 630.575:

Officials from the **Department of Mental Health (DMH)** state this proposal creates the Missouri Eating Disorder Council within the Department of Mental Health to oversee education and awareness programs, identify whether adequate eating disorder services are available and assist the DMH in identifying research projects. The Members may be reimbursed for actual and necessary expenses - subject to appropriation.

The members of the Missouri Eating Disorder Council, according to the proposal, will serve without compensation. The proposal states they may be reimbursed for actual and necessary expenses as members of the council. While the wording would imply that no requirement or obligation is placed on the department to reimburse the members, the DMJH projects an unknown cost that is less than \$100,000 annually.

Section 630.580:

Officials from the **Department of Mental Health (DMH)** state the bill requires DMH to collaborate with the Departments of Health and Senior Services, Elementary and Secondary Education, and Higher Education in consultation with the Missouri Eating Disorder Council to develop and implement education and awareness programs. These programs are to be directed to health care professionals, elementary, secondary and higher education professionals, and general education and awareness programs.

Section 3 requires a broad range of collaboration with other state departments for the development and implementation of training programs for professionals, students and the general public. Again, because the DMH does not currently focus on eating disorders, it is difficult to project costs. The DMH projects an unknown cost that is greater than \$100,000 for the education and awareness program.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education (DESE)** do not anticipate significant costs to work in collaboration with the designated entities to develop and implement the education and awareness programs; nor does DESE anticipate significant costs to assist in the development of curriculum. DESE defers to local school districts regarding the cost of distributing educational materials to middle and high school students in both public and private schools.

Sections 193.145, 193.265, 195.080, 334.735, 337.528, 338.100, 339.010, 339.020, 339.030, 339.040, 339.080, 339.110, 339.160, 339.170, 339.710, 339.845:

Oversight assumes there would be no fiscal impact to state or local governments.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Savings/ Costs - Department of Social Services</u>			
Equalizing reimbursement rates between optometrist and physicians for similar services (Section 208.198)	(\$112,582) to \$106,167	(\$116,748) to \$110,095	(\$121,067) to \$114,169
<u>Costs - Department of Mental Health</u>			
Counsel member expense reimbursements (Section 630.575)	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
Education and awareness program expenditures (Section 630.580)	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown greater than \$212,582) to \$106,167</u>	<u>(Unknown greater than \$216,748) to \$110,095</u>	<u>(Unknown greater than \$221,067) to \$114,169</u>

FEDERAL FUNDS

Income/Costs - Department of Social Services

Federal Assistance (Section 208.198)	\$194,098 to (\$183,038)	\$201,279 to (\$189,811)	\$208,727 to (\$196,834)
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Costs/Income - Department of Social Services

Program Costs/Income (Section 208.198)	(\$194,098) to <u>\$183,038</u>	(\$201,279) to <u>\$189,811</u>	(\$208,727) to <u>\$196,834</u>
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**ESTIMATED NET EFFECT ON
FEDERAL FUNDS**

\$0 \$0 \$0

FISCAL IMPACT - Local Government

FY 2011 (10 Mo.)	FY 2012	FY 2013
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Sections 344.010 & 344.020:

A nursing home administrator's license is issued to an individual, not a business. However, there may be instances where an assisted living facility (ALF) or a residential care facility (RCF) may voluntarily pay the administrator's license fee for their employee.

FISCAL DESCRIPTION

Section 208.198:

Subject to appropriations, the legislation requires the Department of Social Services to establish a rate of reimbursement for certain professionals under the MO HealthNet Program which provides equal reimbursement for the same or similar health services.

FISCAL DESCRIPTION (continued)

Section 630.575:

The proposal establishes within the Department of Mental Health the "Missouri Eating Disorder Council". The number of members on the council is determined by the director of the Department of Mental Health.

Section 630.580:

The Department of Mental Health, in collaboration with the Departments of Health and Senior Services, Elementary and Secondary Education, and Higher Education and in consultation with the Missouri eating disorder council, must develop and implement certain education and awareness programs which are delineated in the proposal.

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
Office of the Attorney General
Office of Secretary of State
Office of Administration
 Administrative Hearing Commission
Office of the State Courts Administrator
Department of Agriculture
Department of Elementary and Secondary Education
Department of Highways and Transportation
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Social Services
Department of Public Safety
 Office of the Director
 Missouri Veterans Commission
Department of Conservation

SOURCES OF INFORMATION (continued)

Missouri Consolidated Health Care Plan
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Economic Development
Missouri Senate
Office of the State Auditor
Office of Lieutenant Governor
Office of State Treasurer
Office of the Governor
Missouri State University
Missouri Ethics Commission
Missouri Sheriffs' Retirement System
Missouri State Employee's Retirement System
City of Centralia
Parkway School District
Joint Committee on Public Employee Retirement
Linn State Technical College
Little Blue Valley Sewer District



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Director
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