

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1186-01  
Bill No.: HB 337  
Subject: Mental Health; Licenses - Professional; Political Subdivisions  
Type: Original  
Date: March 26, 2013

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Bill Summary: This proposal prohibits political subdivisions from discriminating between licensed professional counselors and other mental health professionals when promulgating regulations or recommending services.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Up to \$2,872,240)	(Up to \$3,581,109)	(Up to \$3,720,772)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$2,872,240)</b>	<b>(Up to \$3,581,109)</b>	<b>(Up to \$3,720,772)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expenditures net to zero.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### § 337.503 - Discrimination Against Certain Health Care Professionals:

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** state currently, this section allows reimbursement for the provision of psychology and counseling services to children by psychologists, provisionally licensed psychologists, licensed or provisionally licensed professional counselors, licensed or provisionally licensed clinical social workers, licensed psychiatrists and psychiatric clinical nurse specialists.

MHD states reimbursement is allowed for adults receiving psychology and counseling services provided by a licensed psychiatrist, licensed psychiatric clinical nurse specialist and licensed psychologist as well as licensed or provisionally licensed clinical social workers who are members of Federally Qualified Health Care centers (FQHC) or Rural Health Centers (RHC). However, reimbursement is not allowed for these services provided to adults by a licensed or provisionally licensed professional counselor.

MHD assumes in order to estimate the possible expenditure for allowing reimbursement to Licensed Professional Counselors (LPC) for services provided to adults, a proxy was found by reviewing the expenditures for services provided to children and adults by psychologists. The expenditures for adults were about 63.97% of the expenditure for children. Therefore, the same percentage was applied to expenditures for LPCs for children to estimate the possible expenditure for adults. The amount expended in FY09 for LPCs for children was \$11,668,745. Therefore, the annual amount estimated for adults in 2009 is \$7,464,496 ( $11,668,745 \times 63.97\% = \$7,464,496$ ). A 3.9% medical inflation was applied for FY10 - FY16, with the cost for FY14 being only 10 months.

FY14:	\$7,531,769 total (\$2,872,240 GR; \$4,659,529 Federal);
FY15:	\$9,390,609 total (\$3,581,109 GR; \$5,809,500 Federal);
FY16:	\$9,756,843 total (\$3,720,772 GR; \$6,036,071 Federal).

**Oversight** assumes there would be some redistribution of services from recipients moving between MO HealthNet mental health providers. Oversight assumes MHD's estimates to be the maximum potential increase in costs and therefore will present the costs as "Up to" the amounts provided by MHD.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** assume this proposal modifies language in section 337.503 related to licensed psychologists, professional counselors and social workers. The current language prohibits entities of government from discriminating between persons who are licensed under chapter 337 RSMo.

DMH assumes this proposal would include other mental health professionals as defined in section 632.005. These professionals would include, psychiatrist, resident in psychiatry, psychologist, psychiatric nurse, licensed professional counselor (LPC), or psychiatric social worker.

DMH states this proposal may require the department to revise existing position descriptions and applicable pay scales for positions that require a particular degree.

DMH states this proposal could create a conflict with the requirements for hospitals under the standards set by the Joint Commission and the Center for Medicare and Medicaid Services (CMS). DMH would adhere to the requirements of hospital accreditation. The fiscal impact of this proposal is an unknown cost less than \$100,000, however the proposal may have a positive fiscal impact on MO HealthNet.

**Oversight** assumes the potential costs to DMH may be speculative. Therefore, **Oversight** assumes no direct impact for fiscal note purposes. However, if DMH were to experience a significant impact as a result from this proposal, they may request additional funding through the normal appropriation process.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

**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.

Officials at the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Department of Elementary and Secondary Education, Department of Social Services Children’s Division, State Treasurer’s Office, City of Columbia, City of Kansas City, and St. Louis County** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DSS - MHD</u>			
§ 337.503 - Increase in Medicaid program expenditures	(Up to <u>\$2,872,240</u> )	(Up to <u>\$3,581,109</u> )	(Up to <u>\$3,720,772</u> )
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>(Up to <u>\$2,872,240</u>)</b>	<b>(Up to <u>\$3,581,109</u>)</b>	<b>(Up to <u>\$3,720,772</u>)</b>
<b>FEDERAL FUNDS</b>			
<u>Income - DSS - MHD</u>			
§ 337.503 - Program reimbursements	Up to \$4,659,529	Up to \$5,809,500	Up to \$6,036,071
<u>Cost - DSS - MHD</u>			
§ 337.503 - Program expenditures	(Up to <u>\$4,659,529</u> )	(Up to <u>\$5,809,500</u> )	(Up to <u>\$6,036,071</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 2014 (10 Mo.)	FY 2015	FY 2016
	<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.

FISCAL DESCRIPTION

§ 337.503 - Discrimination Against Certain Health Care Professionals:

This proposal prohibits an official or employee of the state, a school district, or any other political subdivision from discriminating between psychologists, professional counselors, and social workers licensed under Sections 337.500 to 337.540, RSMo, and other mental health professionals licensed under Chapter 337 or as defined in Section 632.005 when establishing regulations or when requiring or recommending services that can be legally performed by persons licensed under Sections 337.500 to 337.540.

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 Mental Health  
Department of Social Services  
Office of Secretary of State  
Joint Committee on Administrative Rules  
Department of Elementary and Secondary Education  
State Treasurer's Office  
City of Kansas City  
St. Louis County  
City of Columbia



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