

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1611-04
Bill No.: HCS for SB 330
Subject: Licenses - Professional; Nurses
Type: Original
Date: April 22, 2013

Bill Summary: This proposal changes the laws regarding collaborative practice agreements and advanced practice registered nurses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Up to \$2,872,240)	(Up to \$3,566,436)	(Up to \$3,820,772)
Total Estimated Net Effect on General Revenue Fund	(Up to \$2,872,240)	(Up to \$3,566,436)	(Up to \$3,820,772)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Fire Sprinkler Contractor Registration	\$25,219	(\$25,219)	\$28,100
Total Estimated Net Effect on Other State Funds	\$25,219	(\$25,219)	\$28,100

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

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

* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§196.298 Cottage Foods:

Officials from the **Randolph County Health Department (RCHD)** state they anticipate food borne outbreaks to occur as a result of home produced foods without any production standards in place. If a small food borne outbreak would occur in Randolph County, officials anticipate it would cost the RCHD a minimum of 2 FTEs working 40 hours at \$30 per hour to do the interviews and follow-up investigation, or \$2,400. The RCHD would plan to budget for two single food-borne outbreaks each year as a result of this legislation.

In response to similar legislation filed this year, HB 440, the following responded:

Officials from the **Shelby County Health Department** stated the fiscal impact for this proposal is unknown, but could be substantial, if there was a food-borne illness outbreak from items sold from establishments that weren't under the guidance of the local health department.

Officials from the **Harrison County Health Department** assumed the proposal would not fiscally impact their organization.

Oversight assumes the potential for an outbreak of food-borne illness to be speculative and is not presenting these costs for fiscal note purposes.

§§320.400 - 320.416 Fire Sprinkler Systems:

Officials from the **Department of Public Safety - Division of Fire Safety (DFS)** state this legislation establishes a new program within the DFS for the certification of fire sprinkler contractors.

A representative from the National Fire Sprinkler Association indicated there to be approximately 100 fire sprinkler contractors in the State of Missouri and approximately 40 fire sprinkler contractors from surrounding states who may desire to be registered in Missouri.

Based on this information, the Division would hire a 1,000 hour clerical employee to process applications and accounting, review documentation, issue the registration certificates for the fire sprinkler contractors and forward any complaints to the current Deputy Chief of Fire Safety Inspections. Related expense and equipment funding would also be requested. Total costs for FY 13 would be \$16,781. However, the fees set by rule would offset this expense. The registration fee of \$300 per contractor would generate \$42,000 in the first year and \$3,000 in the second year. Fees would generate a positive net effect over a two-year span, at which time contractors would renew.

ASSUMPTION (continued)

Section 320.408.8 specifies that “any money remaining in the fund at the end of the biennium shall revert to the credit of the General Revenue Fund.” Therefore, **Oversight** will reflect a transfer from the new Fire Sprinkler Contractor Registration Fund to the General Revenue Fund in FY 15 of the net balance of the fund from FY 14 and FY 15.

Oversight also assumes Subsections 320.402.2 and 320.402.3 allow local political subdivisions to continue to require contractors to obtain local permits. Therefore, Oversight assumes the proposal will not fiscally impact municipalities, counties or other local governments.

§337.503 - No Discrimination Between Persons Licensed under Sections 337.500 to 337.540:

In response to a similar proposal, HB 337, officials from the **Department of Social Services - MO HealthNet Division (MHD)** stated that 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).

ASSUMPTION (continued)

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.

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 Centers 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.

Bill as a Whole:

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

ASSUMPTION (continued)

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.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Office of Administration - Administrative Hearing Commission** anticipate this legislation will not significantly alter its caseload. However, if similar bills pass, resulting in more cases, there will be a fiscal impact.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** assume the proposal would not fiscally impact their agency. However, due to the time constraints given to provide a response for this proposal, DIFP has not had an opportunity for an in-depth review of the committee substitute.

Officials from the **Department of Agriculture**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Missouri Consolidated Health Care Plan**, the **Office of State Treasurer**, **St. Louis County**, and the **City of Kansas City** 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
GENERAL REVENUE FUND			
<u>Transfer In</u> - from the Fire Sprinkler Contractor Registration Fund - Section 320.408.8 - any monies in the new Fire Sprinkler Contractor Registration Fund at the end of the biennium shall revert to General Revenue	\$0	\$14,673	\$0
<u>Cost- DSS-MHD</u> § 337.503 - Increase in Medicaid program expenditures	<u>(Up to \$2,872,240)</u>	<u>(Up to \$3,581,109)</u>	<u>(Up to \$3,720,772)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(Up to \$2,872,240)</u>	<u>(Up to \$3,566,436)</u>	<u>(Up to \$3,820,772)</u>
FIRE SPRINKLER CONTRACTOR REGISTRATION FUND			
<u>Income</u> - Division of Fire Safety (DFS) Registration Fee - authorized in Section 320.406 to be set at a level to produce revenue which shall not exceed the cost and expenses of administering the program (estimated to be \$300) x 140 projected applicants	\$42,000	\$3,000	\$42,000
<u>Expense</u> - Division of Fire Safety 1,000 hour clerical support equipment and expense Total Expense - DFS	(\$8,333) <u>(\$8,448)</u> (\$16,781)	(\$10,250) <u>(\$3,296)</u> (\$13,546)	(\$10,506) <u>(\$3,394)</u> (\$13,900)
<u>Transfer Out</u> - to General Revenue Fund fund balance reverts to the credit of GR biennially	<u>\$0</u>	<u>(\$14,673)</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE FIRE SPRINKLER CONTRACTOR REGISTRATION FUND	<u>\$25,219</u>	<u>(\$25,219)</u>	<u>\$28,100</u>

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
FEDERAL FUNDS			
<u>Income</u> - DSS - MHD	Up to	Up to	Up to
§ 337.503 - Program reimbursements	\$4,659,529	\$5,809,500	\$6,036,071
<u>Cost</u> - DSS - MHD	(Up to	(Up to	(Up to
§ 337.503 - Program expenditures	<u>\$4,659,529)</u>	<u>\$5,809,500)</u>	<u>\$6,036,071)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<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

Small fire sprinkler businesses may want to be registered by the state as a result of this proposal.

FISCAL DESCRIPTION

Sections 320.400 - 320.416 - Fire Sprinkler Contractor Registration:

This proposal allows any contractor who engages in the installation or service of fire sprinkler systems to register with the State Fire Marshal. In its main provisions, the proposal: (1) Allows a municipality, county, or any other local governmental body or jurisdiction to require a contractor to obtain a permit and pay a fee for the installation of a fire sprinkler system and the installation to be in conformance with its building code or other construction requirements; (2) Authorizes the Office of the State Fire Marshal within the Department of Public Safety to establish rules and regulations regarding the application content and the procedures for filing an application for a certificate of registration or a renewal of certification, all applicable fees, and establishing procedures for granting reciprocity with other states; (3) Establishes requirements which a contractor must meet in order to obtain a certificate of registration, including demonstrating his or her own knowledge or the employment of a person with specified training or certification in

FISCAL DESCRIPTION (continued)

the area of fire sprinkler installation and service; (4) Specifies the procedure for the certification renewal process; (5) Requires the certificate of registration to be displayed conspicuously in the contractor's place of business; (6) Creates the Fire Sprinkler Contractor Registration Fund for the deposit of fees collected for the administration of the provisions of the proposal; (7) Requires the fire marshal to send a written notice at least 30 days prior to the expiration of a certificate; (8) Requires an applicant to provide evidence of liability insurance in the amount of at least \$1 million for all occurrences per policy year; (9) Authorizes the fire marshal to file a complaint with the Administrative Hearing Commission against certified contractors for specific violations. If grounds for discipline are found, the fire marshal is authorized to censure or place a contractor on probation for up to five years or suspend for up to three years or revoke the contractor's certificate of registration; and (10) Authorizes the fire marshal to seek an injunction, restraining order, or other order, if appropriate, to prevent a person or organization from holding himself, herself, or itself out as a certified fire sprinkler contractor.

§ 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

Office of Administration -
 Administrative Hearing Commission
Office of Attorney General
Department of Agriculture
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division

HWC:LR:OD

SOURCES OF INFORMATION (continued)

Department of Public Safety -
 Division of Fire Safety
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Joint Committee on Administrative Rules
Office of the Secretary of State
Office of State Treasurer
St. Louis County
Randolph County Health Department
City of Kansas City



Ross Strobe
Acting Director
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