

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1842-02
Bill No.: SB 421
Subject: Education, Elementary and Secondary; Education, Higher; Health and Senior Services Department; Health, Public
Type: Original
Date: March 27, 2013

Bill Summary: This proposal requires individuals to receive the meningococcal conjugate vaccine.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$110,119)	(\$132,143)	(\$132,143)
Total Estimated Net Effect on General Revenue Fund	(\$110,119)	(\$132,143)	(\$132,143)

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state the cost of the vaccine is covered by the Vaccine for Children (VFC) program for MHD eligibles, except for higher income Children's Health Insurance Program (CHIP) eligibles. The estimated cost of the vaccine is \$125. MHD reimburses \$5.00 for the administration of the vaccine.

There are currently 25,229 eligibles who are age 11 and 20,821 who are currently age 16, in which MHD would only pay for the administration of the vaccine. There are currently 1,418 eligibles who are age 11 and 1,410 who are currently age 16, in which MHD would be responsible for the cost of the vaccine and the administration of the vaccine ($\$125 + \$5 = \$130$). MHD assumed the same number of eligibles in FY 15 and FY 16.

The total cost to MHD in the first full year will be $\$597,890 [(25,229 + 20,821) * \$5.00 = \$230,250] + [(1,418 + 1,410) * \$130.00 = \$367,640]$. The current expenditure for the vaccine and administration cost is \$173,000, so the annual cost will be \$424,890 ($\$597,890 - \$173,000$). To calculate the FY 14 cost, it is assumed that there would only be 10 months of cost so, $\$424,890 / 12 \text{ months} * 10 \text{ months} = \$354,075$.

The federal match rate for these services is 61.865%, except for the higher income CHIP eligibles, which is 73.305%.

FY 14: 10 month Total = \$354,075 (\$110,119 General Revenue (GR); \$243,956 Federal);
FY 15: Total = \$424,890 (\$132,143 GR; \$292,747 Federal); and
FY 16: Total = \$424,890 (\$132,143 GR; \$292,747 Federal).

Officials from the **Parkway School District** state the proposal would have an unknown impact on their school district due to the increased time to administer and follow up on the requirements of the proposal by school nurses.

Oversight assumes since school districts are currently required to track the status of a number of immunizations, that tracking one additional immunization will not have a significant impact on the administrative time involved in this duty.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the proposal could result in additional costs to local school districts in terms of record keeping and tracking. The DESE defers to local school districts regarding the extent of any cost.

ASSUMPTION (continued)

Officials from the **Office of 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 Secretary of State's office 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 this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized 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 within its 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 **Department of Higher Education (DHE)** state the proposal would have no direct, foreseeable fiscal impact on the DHE.

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 **Department of Health and Senior Services, the Harrison County Health Department, Linn State Technical College, Metropolitan Community College, Missouri State University, Northwest Missouri State University** and the **University of Missouri** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Reynolds County Health Department** responded to **Oversight's** request for a fiscal note but did not provide a statement of fiscal impact.

No additional Local Health Departments, Schools or Colleges and Universities responded to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Costs - DSS-MHD</u>			
Vaccine and administration costs	<u>(\$110,119)</u>	<u>(\$132,143)</u>	<u>(\$132,143)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$110,119)</u>	<u>(\$132,143)</u>	<u>(\$132,143)</u>
FEDERAL FUNDS			
<u>Income - DSS-MHD</u>			
Program expenditure reimbursement	\$243,956	\$292,747	\$292,747
<u>Costs - DSS-MHD</u>			
Program expenditures	<u>(\$243,956)</u>	<u>(\$292,747)</u>	<u>(\$292,747)</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

This proposal would increase revenues for small business MO HealthNet fee-for-service providers.

FISCAL DESCRIPTION

This proposal requires each child who has attained the age of eleven but not attained the age of twelve to receive one dose of the meningococcal conjugate vaccine. A booster dose is required after the child attains the age of sixteen. A student may be exempted based on medical reasons or religious beliefs. The Department of Health and Senior Services must promulgate rules to implement this requirement.

FISCAL DESCRIPTION (continued)

This proposal also requires each student attending a public institution of higher education who lives in on-campus housing to receive the meningococcal conjugate vaccine unless he or she has a medical or religious exemption.

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 Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Joint Committee on Administrative Rules
Office of Secretary of State
Harrison County Health Department
Reynolds County Health Department
Parkway School District
Linn State Technical College
Metropolitan Community College
Missouri State University
Northwest Missouri State University
University of Missouri



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