

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4314-01
Bill No.: HB 1963
Subject: Health Departments; Health Care Professionals; Health, Public
Type: Original
Date: April 7, 2014

Bill Summary: This proposal requires every employee and volunteer of a health care facility inspected by the Department of Health and Senior Services to receive an influenza vaccination each year.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Health and Senior Services (DHSS)** assume this proposal would require the Division of Regulation and Licensure (DRL) to review personnel files of employees and volunteers at inspected facilities for proof of flu vaccination. The DRL does not currently review personnel files for this information and does not necessarily review personnel files for all areas of the facility (i.e. janitorial staff), or volunteer staff files.

Expanded sampling of personnel files and increased reviews would be required. Especially in larger facilities (primarily hospitals), sampling sizes, and thus review time, would likely increase significantly in order to ensure a representative and statistically valid sample was reviewed to determine whether the 95 percent compliance rate was achieved. For those facilities found to be non-compliant, additional staff time would be required to perform the revisit. The number of additional staff required is unknown; therefore the impact is considered to be an unknown negative impact on General Revenue.

Any inspected facility not in compliance with the provisions of this section shall be reinspected at an undisclosed time within three months of the initial inspection. If at the time of reinspection the inspected facility is again deemed not in compliance with the provisions of this section, the inspected facility will be charged a fine to be calculated as \$50 per full-time employee of the facility. Although the language in this section does not identify where the amounts collected from the fines will be deposited, the DHSS assumes these funds will be deposited in the General Revenue Fund. The number of facilities found to be non-compliant after a second inspection and the number of full-time employees in these facilities is unknown. Therefore, the total dollar amount of fines is considered to have an unknown positive impact on General Revenue Fund.

The fiscal impact of the proposed statutory language is considered to be (Unknown) to Unknown impact on General Revenue for DHSS.

Oversight notes Article IX, Section 7 of the Missouri Constitution provides that fines and penalties be distributed to schools. Oversight assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any fine or penalty revenues for the local school districts.

Oversight assumes the proposal will have an unknown cost to the General Revenue Fund for DHSS.

ASSUMPTION (continued)

Officials at the **Department of Social Services** assume this proposal would require every employee and volunteer of a health care facility inspected by the Department of Health and Senior Services to receive an influenza vaccination each year. Some health care facilities do provide immunizations, either as part of employment or for a fee, to its employees. Health care facilities which do not currently provide immunizations could incur an unknown additional cost.

MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Since the requirement is effective on August 28, 2014, it would begin to be reflected in 2014 cost reports. MO HealthNet would use 2014 cost reports to establish reimbursement for FY18. Therefore, there would not be a fiscal impact to the MO HealthNet Division for FY15, FY16, and FY17, but starting FY18 there could be an impact; the impact is unknown.

Officials from the **Department of Elementary and Secondary Education (DESE)** state there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore, the affected districts will see an equal decrease in the amount of funding received through the formula the following year unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes any increase or decrease in fine or penalty revenues generated cannot be determined. Therefore, the fiscal note does not reflect any fine or penalty revenues for the local school districts.

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 **Department of Conservation**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Joint Committee on Administrative Rules**, the **Missouri Consolidated Health Care Plan** and the **Department of Public Safety - Missouri Highway Patrol** each assume there is no fiscal impact to their respective organizations from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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GENERAL REVENUE

Costs - DHHS (\$192.075)

Increase in health care facility inspection costs	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small business health care providers may be impacted if their employees do not get flu vaccinations.

FISCAL DESCRIPTION

This proposal requires all employees and volunteers of any facility that is inspected by the Department of Health and Senior Services, including a health services facility, medical treatment facility, nursing facility, rehabilitation facility, or preventative care facility, to receive a yearly

FISCAL DESCRIPTION (continued)

influenza vaccination. The vaccination must be administered within three months prior to the flu season as determined by the Centers for Disease Control and Prevention. Proof of receiving the vaccination must be provided to the facility by the employee or volunteer.

The proposal permits an exemption from the vaccination requirement for medical contraindications, religious beliefs, or in the event of a vaccine shortage. An employee or volunteer who requests an exemption due to medical contraindications must provide proof, such as a letter from a physician or medical records. An employee or volunteer who requests an exemption due to religious beliefs must provide a written and signed request stating the reason for the exemption. If an employee or volunteer is unable to receive a vaccination as a result of a vaccination shortage, he or she must provide written documentation stating his or her failure to obtain the vaccination due to a shortage. The facility must keep all documentation of vaccinations or exemptions in the personnel file of each employee and volunteer.

A facility must be considered not in compliance if, upon inspection by the department, less than 95% of the inspected personnel files contain proof of a vaccination or an exemption. A facility that is not in compliance must be reinspected at an undisclosed time within three months of the initial inspection, and if at the time of reinspection the facility remains out of compliance, the facility will be charged a fine of \$50 per full-time employee of the facility.

These provisions will expire six years after 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.

SOURCES OF INFORMATION

Department of Conservation
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Social Services
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Highway Patrol
Office of the Secretary of State



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April 7, 2014

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April 7, 2014