

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0660-03
Bill No.: HB 486
Subject: Children and Minors: Health Care
Type: Original
Date: January 31, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Blindness Education, Screening and Treatment Program	\$0	(\$642,793)	(\$645,466)
General Revenue	\$0	(Unknown to \$809,983)	(Unknown to \$809,983)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$642,793 to \$1,452,776)	(\$645,466 to \$1,455,449)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Title XIX	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

*Net of up to \$1,270,097 per year expenditures and reimbursements

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the State Board of Education could require as many as 8 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. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$492 for FY 2002. 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of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.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 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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education** stated that they would not expect administrative costs to their agency due to this proposal to exceed \$100,000 in any given fiscal year; however, they do anticipate significant program costs for eye exams.

Enrollment Numbers

Head Start	15,520
Kindergarten	67,412
First Grade	72,624
Total	155,556
Medicaid Eligible	(51,360)
Insured	(92,231)
Program Eligible	11,982 x \$57 per exam = \$682,974

Officials of the **Department of Social Services - Division of Medical Services (DOS - DMS)** estimated additional Medicaid costs due to this proposal.

DMS officials note that vision exams for children are covered by Medicaid, but not all children use the service. All children are given an Early Periodic Screening Diagnosis and Testing

ASSUMPTION (continued)

(EPSDT) and the ten percent (10%) whose EPSDT shows problems get vision exams.

Medicaid Eligible 51,360
Now Vision Tested (5,136)

To Be Tested 46,224 x \$45 per exam = \$2,080,080

The \$2,080,080 is a maximum cost because it includes the population in managed care. The proposal could affect managed care capitation rates because rates for services are determined by use. The proposal would increase use for vision exams by one class of clients to 100%. Costs would be divided between federal (61.06%) and general revenue (38.94%) funds.

Officials of the **Department of Health - Division of Maternal, Child and Family Health** would request a Health Program Representative III and an Account Clerk II to carry out provisions of the proposal.

The Health Program Representative would compile and maintain lists of optometrists and ophthalmologists who would provide eye examinations and of providers who would accept referrals for children needing further examinations, vision correction or treatment on a free or reduced cost basis; develop and distribute information and enrollment materials; promote the program among schools and parents; and coordinate services with the Department of Elementary and Secondary Education and Department of Social Services's Division of Rehabilitation Services for the Blind.

The Account Clerk would process claims for eye examinations. Processing would include reviewing claims to verify that they are from approved providers, checking for Medicaid eligibility or insurance coverage, entering children's names into a database (to avoid duplicate payment of claims, enter payments into the Department of Health claims payment system, and answer inquiries from schools and providers about processing claims and invoices.

Department of Health officials would also request \$21,000 (300 man hours at \$70 per hour) to update the DOH claims payment system.

Oversight assumed that FTE would be located in existing facilities and has made equipment costs concur with Office of Administration guidelines. Oversight has used Department of Elementary and Secondary Education estimates of number of eye examinations of children not covered by government or private insurance, but has assumed costs of \$45 per exam.

Oversight also notes that costs for the proposal would be charged to the Blindness Education, ASSUMPTION (continued)

Screening and Treatment Program Fund. The law which established that Fund had an effective

date of January 1, 2001. Officials of the Department of Health estimated annual receipts of \$127,000 per year to the Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
BLINDNESS EDUCATION, SCREENING AND TREATMENT PROGRAM FUND			
<u>Cost - Department of Health (DOH)</u>			
Personal Service (2 FTE)	\$0	(\$65,382)	(\$67,017)
Fringe Benefits	\$0	(\$21,792)	(\$22,337)
Expense and Equipment	\$0	(\$16,429)	(\$16,922)
Eye Examinations	<u>\$0</u>	<u>(\$539,190)</u>	<u>(\$539,190)</u>
Total Cost DOH	\$0	(\$642,793)	(\$645,466)
ESTIMATED NET EFFECT ON BLINDNESS EDUCATION, SCREENING AND TREATMENT PROGRAM FUND	<u>\$0</u>	<u>(\$642,793)</u>	<u>(\$645,466)</u>
 GENERAL REVENUE FUND			
<u>Cost - Department of Social Services for Medicaid Payments for Eye Exams</u>			
	\$0	(Unknown to \$809,983)	(Unknown to \$809,983)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(Unknown to \$809,983)</u>	<u>(Unknown to \$809,983)</u>
 FEDERAL FUNDS			
<u>Income - Matching Funds</u>			
	\$0	Unknown to \$1,270,097	Unknown to \$1,270,097
<u>Cost - Payments for Eye Exams</u>			
	\$0	(Unknown to \$1,270,097)	(Unknown to \$1,270,097)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require students entering Head Start, kindergarten, or first grade in public schools to have a vision examination by January 1 following their enrollment, starting July 1, 2002 (school year 2002-2003)

Funds from the Blindness Education Screening and Program Treatment Fund would be used to pay for examinations of children who do not have insurance.

The Department of Elementary and Secondary Education, in conjunction with the Department of Health, would compile and maintain a list of sources for free or reduced cost eye and would provide the list to schools and parent organizations.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health
Department of Social Services
Secretary of State



Jeanne Jarrett, CPA
Director
February 1, 2001