

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3864-01
Bill No.: HB 1477
Subject: Health Care; Health Care Professionals; Health Department; Hospitals
Type: Original
Date: March 3, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(\$419,120)	(\$298,579)	(\$306,248)
Total Estimated Net Effect on General Revenue Fund	(\$419,120)	(\$298,579)	(\$306,248)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services (DOH)** assume the section for Health Standards and Licensure would be required to: (1) Develop a database for accumulating root cause analysis submitted by hospitals for all identified cases of death or major loss of function attributable to a nosocomial infection, (2) Analyze root cause analysis information submitted to identify common issues and root cause, and (3) Follow-up on any facilities identified by the Division of Environmental Health and Communicable Disease Prevention as being above the base-line for MRSA or VRE. Implementation of these activities will require additional staff along with associated costs such as office space, equipment, etc.

The number of root cause analysis that would be submitted to DOH by hospitals due to deaths or major permanent loss of function resulting from a nosocomial infection is not known.

The Section for Health Standards and Licensure estimates four staff will be required to implement the necessary activities. The staff include:

One Data Base Administrator - This employee will design, develop, and maintain a database for tracking and analysis of all root cause analysis reports received from hospitals. They will analyze database information to identify trends, hospitals that need follow-up action, etc.

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ASSUMPTION (continued)

One Health Facility Nursing Consultant - This employee will be an APIC-certified infection control nurse who would consult with hospitals on infection control issues, prevention control activities, etc.

One Health Program Representative II - This employee would assist the Health Facility Nursing Consultant by developing and preparing infection control educational materials, assisting with related infection control training activities, and assisting the data base administrator with data analysis as needed.

One Office Support Assistant (Keyboarding) - This employee will provide clerical support.

Each of the four employees will require office/cubicle space and furniture, computer equipment, and all other standard miscellaneous equipment and expenses.

Division of Environmental Health & Communicable Disease Prevention assumes:

EHCDP will need one new position to implement this legislation.

DOH is required to develop a database under this legislation.

Epidemiology Specialist -The responsibilities of the position would include surveillance, data analysis and dissemination of comprehensive reports. They would perform epidemiologic assessment and notification of unusual events identified in the collected data, establish baselines, thresholds, high and low historical limits for trend analysis.

DOH states they would need a Hospital Infection Data Collection Application which would be a one-time cost of \$150,000. The application would include a web-based form to allow for aggregate reporting of quarterly or semi-annual collection of data, allowing for easy use by hospitals to report the data. The data would be stored in a manner that will allow for identification of events, ability to establishment of baselines as needed.

Oversight has, for fiscal note purposes only, changed the starting salary for DOH positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Office of Attorney General (AGO)** assume that this proposal may create additional costs, as it permits the DOH to issue subpoenas and terminate certain practices and procedures in hospitals. AGO assumes that it would be required to review subpoenas, move in

ASSUMPTION (continued)

court to enforce subpoenas and represent the DOH in proceedings if the hospitals are permitted to appeal the termination of practices. AGO further assumes that any potential costs arising from this proposal would be minimal and could be absorbed with existing resources.

Officials from Barton Co Memorial Hospital, Bates County Memorial Hospital, Cass Medical Center, Cedar County Memorial Hospital, Excelsior Springs Medical Center, Lincoln County Medical Center, Macon County Samaritan Memorial Hospital, and Washington County Memorial Hospital did not respond to our fiscal note request. **Oversight** assumes there will be an unknown costs to county hospitals for the necessary database systems to track infections.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE

Cost - Department of Health and Senior Services

Personal Service (5 FTE)	(\$148,133)	(\$182,204)	(\$186,759)
Fringe Benefits	(\$61,327)	(\$75,432)	(\$77,318)
Expense and Equipment	(\$59,660)	(\$40,943)	(\$42,171)
Data Collection Application	<u>(\$150,000)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$419,120)</u>	<u>(\$298,579)</u>	<u>(\$306,248)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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LOCAL FUNDS

Costs - County Hospitals

Expense and equipment	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON LOCAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

DOH reports approximately five hospitals had 50 or fewer full-time employees and would have potential costs associated with implementing a computerized database system to track nosocomial infections, reporting all infection outbreaks and MRSA and VRE infections to the DOH, implementing infection control surveillance procedures that result in observation of hospital personnel without the personnel's knowledge, and implementing (including staff training) a root-cause analysis process.

DESCRIPTION

This proposal creates the Missouri Hospital Infection Control Act of 2004. The proposal:

- (1) Authorizes the DOH to issue subpoenas in order to investigate complaints and potential infection outbreaks in hospitals;
- (2) Gives infection control officers the authority to require hospitals to terminate a practice or procedure which does not meet the standard of care for the prevention of hospital infections;
- (3) Requires hospital infection surveillance measures and procedures to be adequate to detect nosocomial infections;
- (4) Requires all suspected infection outbreaks to be reported to the DOH;
- (5) Requires all hospitals to adopt evidenced-based infection control policies which will be subject to review by the DOH;
- (6) Prohibits hospital personnel in a managerial position from restricting hospital employees from discussing any aspect of care with an agent of the department concerning potential hospital infection issues or complaints;
- (7) Requires medical facilities to perform a root-cause analysis on all identified cases of death or a major permanent loss of function resulting from a nosocomial infection and report the analysis to the department. Methicillin- and vancomycin-resistant infections are also required to be reported. The DOH is required to maintain a database of the common issues and root causes;
- (8) Requires the department to develop rules to implement the proposal and requires that all information collected be confidential; and
- (9) Requires that on-site surveys of hospitals by non-governmental entities who evaluate the

DESCRIPTION (continued)

quality of health care delivered will be unannounced. Unannounced survey results will not be used to issue statements about the quality of the hospital surveyed.

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 Health and Senior Services
Office of Attorney General

NOT RESPONDING: Barton Co Memorial Hospital, Bates County Memorial Hospital, Cass Medical Center, Cedar County Memorial Hospital, Excelsior Springs Medical Center, Lincoln County Medical Center, Macon County Samaritan Memorial Hospital, and Washington County Memorial Hospital



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