

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1729-01
Bill No.: HB 620
Subject: Health Care; Health Care Professionals; Hospitals; Nurses; Physicians
Type: Original
Date: March 15, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$163,424)	(\$201,992)	(\$208,052)
Total Estimated Net Effect on General Revenue Fund	(\$163,424)	(\$201,992)	(\$208,052)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

* Revenues and expenditures exceed \$20,000 and net to \$0.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services, Department of Public Safety (DPS) - Director's Office, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, DPS - Missouri State Highway Patrol, Cedar County Memorial Hospital and Putnam County Memorial Hospital** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Missouri Department of Transportation (DOT)** state the proposal would have no fiscal impact on the Missouri Highway Transportation Commission/DOT or the Highway and Patrol Medical Plan.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state having reviewed the proposed language and having sought the conclusion of the appropriate board(s), they are of the opinion the proposal, in its present form has no fiscal impact on the DED-PR. However, should additional requirements be imposed on the Board of Pharmacy, additional expenses may be incurred by the Board of Pharmacy.

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** state such limitations as those imposed by this proposal would increase the time for which physicians could bill for diagnosis of referred clients. Such increases in time results in an increase in cost of 30% for the physician charge rate.

The fiscal impact of this proposal was determined by obtaining client counts, units of service and expenditures for Advanced Practice Nurse evaluations in FY 2004 and increasing such costs by 30% for the physician charge. FY 2004 expenditures incurred by the DMH totaled \$736,698. After deducting Medicaid billable expenditures, the proposal would result in a \$179,508 increase in costs to the General Revenue Fund for non-Medicaid clients and an increase in Medicaid billable expenditures of \$41,501 (split \$16,601 to General Revenue and \$24,901 to Federal funds). Subsequent year expenditures were increase by 3% for inflation.

Oversight has, for fiscal note purposes, prorated the annual cost for FY 06 to represent 10 months.

Officials from the **Barton County Memorial Hospital, Bates County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center, and Washington County Memorial Hospital** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Costs - Department of Mental Health</u>			
Increase in reimbursement to physicians	<u>(\$163,424)</u>	<u>(\$201,992)</u>	<u>(\$208,052)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$163,424)</u>	<u>(\$201,992)</u>	<u>(\$208,052)</u>
FEDERAL FUNDS			
<u>Income - Department of Mental Health</u>			
Increase in program reimbursements	\$20,751	\$25,648	\$26,417
<u>Costs - Department of Mental Health</u>			
Increase in program costs	<u>(\$20,751)</u>	<u>(\$25,648)</u>	<u>(\$26,417)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2006
(10 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact on small business physicians' offices.

DESCRIPTION

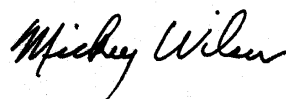
This proposal prohibits a physician who is referred a patient for diagnosis by another physician from delegating the diagnosis to a nurse or nurse practitioner.

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 Economic Development -
 Division of Professional Registration
Department of Mental Health
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Cedar County Memorial Hospital
Putnam County Memorial Hospital

NOT RESPONDING: Barton County Memorial Hospital, Bates County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center, and Washington County Memorial Hospital



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Director
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