

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2091-04  
Bill No.: HCS for HB 835  
Subject: Health Care; Health Care Professionals; Health, Public  
Type: Original  
Date: April 18, 2005

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**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>                   |  |  |  |
|---|--|--|--|
| <b>FUND AFFECTED</b>  | <b>FY 2006</b>                         | <b>FY 2007</b>                         | <b>FY 2008</b>                         |
| General Revenue   | (Could exceed<br>\$19,374,279)         | (Could exceed<br>\$19,412,847)         | (Could exceed<br>\$19,418,907)         |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>(Could exceed<br/>\$19,374,279)</b> | <b>(Could exceed<br/>\$19,412,847)</b> | <b>(Could exceed<br/>\$19,418,907)</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 18 pages.

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>                                  |                                       |                                       |                                       |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>FUND AFFECTED</b>  | <b>FY 2006</b>                        | <b>FY 2007</b>                        | <b>FY 2008</b>                        |
| Other State Funds   | (Could exceed<br>\$4,197,995)         | (Could exceed<br>\$4,197,995)         | (Could exceed<br>\$4,197,995)         |
| Insurance Dedicated Fund  | \$0 - \$8,000                         | \$0                                   | \$0                                   |
| Department of Health and Senior Services Administrative and Cost Allocation Fund* | \$0                                   | \$0                                   | \$0                                   |
| Department of Health and Senior Services Disaster Fund*                           | \$0                                   | \$0                                   | \$0                                   |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b>                     | <b>(Could exceed<br/>\$4,197,995)</b> | <b>(Could exceed<br/>\$4,197,995)</b> | <b>(Could exceed<br/>\$4,197,995)</b> |

\*Unknown income and costs would net to \$0.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                                       |                                       |                                       |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>FUND AFFECTED</b>  | <b>FY 2006</b>                        | <b>FY 2007</b>                        | <b>FY 2008</b>                        |
| Federal   | (Could exceed<br>\$6,055,079)         | (Could exceed<br>\$6,055,079)         | (Could exceed<br>\$6,055,079)         |
|   |                                       |                                       |                                       |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>(Could exceed<br/>\$6,055,079)</b> | <b>(Could exceed<br/>\$6,055,079)</b> | <b>(Could exceed<br/>\$6,055,079)</b> |

| ESTIMATED NET EFFECT ON LOCAL FUNDS |                     |                     |                     |
|-------------------------------------|---------------------|---------------------|---------------------|
| FUND AFFECTED                       | FY 2006             | FY 2007             | FY 2008             |
| Local Government                    | (Up to \$1,573,911) | (Up to \$1,573,911) | (Up to \$1,573,911) |

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Missouri House of Representative** stated this proposal would not fiscally impact their agency.

#### **Section 26.350**

Officials from the **Office of Attorney General** assume this section would not fiscally impact their agency.

Officials from the **Office of Administration (OA) - Division of Budget and Planning (BAP)** assume this section creates the Office of Missouri Surgeon General. The BAP assumes the OA will provide administrative support and staff as deemed necessary. BAP assumes the proposal will result in additional costs, particularly to the division or office who would be assigned to provide such support and staff. BAP assumes the cost is unknown .

**Oversight** will present the costs as less than \$100,000.

Officials from the **Department of Health and Senior Services (DOH)** assume this section will establish the position of the Missouri Surgeon General within the DOH. DOH assumes it would need a Medical Consultant and a Office Support Assistant along with standard equipment and expenses. DOH states funding for these costs would come from either Federal Funds and/or Other Funds. DOH states no General Revenue would be requested to support the duties of this section. DOH states since the DOH would have to identify and secure funding for Section 26.350, implementation of this section would not begin until such funding is identified and secured through either grants or foundation funds. DOH states total costs would be \$195,861 in FY 06, \$226,865 in FY 07, and \$232,637 in FY 08.

**Oversight** assumes for this fiscal note that DOH will obtain other funding but will not establish the Missouri Surgeon General office until such funding is received. **Oversight** will present revenues and costs beginning in FY 2006 as a range and will present costs in Other Funds.

ASSUMPTION (continued)

**Section 191.235**

Officials from the **Missouri Department of (MDC)** assume this section would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state this section requires mercury free immunizations for pregnant women and children less than 3. The DMS states there would be no cost.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** stated HCP benefits provide coverage for childhood immunizations including Poliomyelitis, Rubella, Rubeola, Mumps, Tetanus, Pertussis, Diphtheria, Hepatitis B, Hemophilus Influenza Type B and Varicella. HCP states approximately five of those covered immunizations contain Thimerosal.

Since no preference would be given to mercury free formulations, HCP assumes this legislation would have no fiscal impact.

Officials from the **Department of Insurance (INS)** estimate 160 insurers and HMOs might be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$0 to \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

Officials from the **Department of Health and Senior Services (DOH)** stated they do not have data on the variance of cost and efficacy of immunizations with and without mercury preservatives. However, the DOH assumes this proposal would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Office of Attorney General (AGO)** assume any potential costs arising from this section can be absorbed with existing resources.

Officials from the **Department of Public Safety - Missouri State Highway Patrol and the Missouri Department of Transportation (DOT)** state beginning April 1, 2007, this legislation

ASSUMPTION (continued)

prohibits the administering of immunizations containing a specified measurement to knowingly pregnant women and children less than three years of age and requires insurers, health service corporations or HMO's to provide insurance coverage for non-mercury immunizations at the same percentage rate of the usual and customary charges as for immunizations with mercury prior to April 1, 2007. DOT states this legislation will have no fiscal impact on MHTC/MoDOT. The Highway and Patrol Medical Plan is not an insurer, a health service corporation or HMO. However, section 104.801 RSMo. would require the Medical Plan to offer similar coverage.

DOT states currently, the Medical Plan provides coverage for immunizations for children through age five and according to the American Academy of Pediatrics' recommended childhood and adolescent immunization schedule for children over age five. The Medical Plan provides for coverage of these immunizations whether they are with preservatives or without. DOT assumes the only immunization that this legislation is going to affect is the influenza immunization. All other immunizations for children under age seven have the Food and Drug Administration's designation as thimerosal free or trace only.

DOT assumes that most children are currently receiving the influenza vaccine with the preservative thimerosal. With the passage of this legislation no health care provider in the state of Missouri would be allowed to administer the influenza vaccine containing the preservative thimerosal.

There are four different Current Procedural Terminology (CPT) codes for influenza vaccines. They are listed below along with allowed amounts for each code.

90655 – Influenza virus vaccine, without preservatives, 6-35 months dosage \$15.75  
90656 – Influenza virus vaccine, without preservatives, 3 years and above dosage \$14.76  
96057 - Influenza virus vaccine, 6-35 months dosage \$ 5.58  
96058 – Influenza virus vaccine, 3 years and above dosage \$10.99

The Highway and Patrol Medical Plan currently has 718 children who are six to thirty-five months old. The Medical Plan will pay 100% for an influenza immunization in-network for children through age five. Coverage of immunizations for children over age five is based on the American Academy of Pediatrics' recommended childhood and adolescent immunization schedule. Their schedule recommends an annual influenza immunization for children up to twenty-four months and only those at risk over the age of twenty-four months. The influenza vaccine only comes in a dosage for children six months and older. For purposes of this fiscal note we are going to assume all children six months through age five will receive an annual

ASSUMPTION (continued)

influenza immunization, because our plan will cover these 100% when in-network.

There would be no fiscal impact in FY2006 but as a result of the above assumptions, the Highway and Patrol Medical Plan would have a fiscal impact of approximately \$7,302 in FY 2007. This was calculated by multiplying the number of children six months to 35 months of age (718) by the difference in the preservative free and preserved influenza vaccine for their age group ( $\$15.75 - \$5.58 = \$10.17$ ).

The Highway and Patrol Medical Plan consists of approximately 77% MoDOT participation and 23% Patrol participation. As a result, \$5,623 would be due to MoDOT participation and \$1,679 would be due to Patrol participation for FY2007.

Historically, the department and the plan members have shared in any premium increases necessary because of increases in benefits. The costs may be shared in the long run (meaning shared between three categories: absorbed by the plan, state appropriated funds, and/or costs to individuals covered under the plan). However, the Medical Plan, MHTC, MoDOT, and Patrol must make a decision on how to fund the increase; until then, here are the total costs of the legislation.

**Oversight** assumes not all children in the Highway and Patrol Medical Plan will not receive influenza vaccines, and the cost would be lower than the DOT estimate. In a similar note from the previous fiscal year (L.R. 3360-12, SCS for HS for HCS for HB 852) DOT assumed that costs could be absorbed. **Oversight** assumes DOT can absorb the costs.

**Section 191.232**

Officials from the **Department of Health and Senior Services** (DOH) state the section would not be expected to fiscally impact the operations of the DOH. DOH stated if an impact were to result, funds to support the program would be sought through the appropriation process.

**Section 191.645**

Officials from the **Office of Attorney General**, the **Department of Mental Health**, and the **Department of Social Services** assume this section would not fiscally impact their agencies.

Officials from the **Department of Health and Senior Services (DOH)** state the section would not fiscally impact their agency. DOH stated if an impact were to result, funds to support the

ASSUMPTION (continued)

program would be sought through the appropriation process.

**Section 192.324 and 192.326**

Officials from the **Office of Attorney General** and the **State Treasurer's Office** assume this section would not fiscally impact their agency.

Officials from the **Department of Health and Senior Services (DOH)** state this section would not fiscally impact their agency. DOH stated if an impact were to result, funds to support the program would be sought through the appropriation process.

**Oversight** assumes both the Department of Health and Senior Services Administrative and Costs Allocation Fund and the Department of Health and Senior Services Disaster Fund are newly created. Oversight is presenting the funds with unknown income and unknown costs which net to \$0.

**Section 193.015 - Section 193.145**

Officials from the **Office of Attorney General** and the Department of Social Services assume this section would not fiscally impact their agencies.

Officials from the **Department of Health and Senior Services (DOH)** state this section would not fiscally impact their agency. DOH stated if an impact were to result, funds to support the program would be sought through the appropriation process.

Officials from the **State Administrator (CTS)** assume this section would not fiscally impact their agency.

**Section 197.305 to Section 197.366**

Officials from the **Department of Mental Health (DMH)** state that state-operated long term care facilities are exempted from review certification. Therefore, there is no fiscal impact to the DMH.

Officials from the **Office of Attorney General (AGO)** state the AGO represents the Certificate of Need Board and, because of changes in definition, there may be an increase in litigation. AGO assumes costs are unknown but less than \$100,000.

ASSUMPTION (continued)

Officials from the **Department of Social Services (DOS)** assume the cost impact would be to the hospital program and is unknown. Hospitals are paid on a per diem rate for each day that the recipient is in the hospital. A new facility is paid either the Medicare per diem rate or 90% of the weighted average statewide per diem rate for the first three years of operation. In the fourth year of operation they are given a prospective per diem rate based off of their fourth prior year cost report. With the addition of new hospitals, existing hospitals would lose patient days as individuals may go to the new hospital instead of the existing hospitals. The cost to the state could either be more or less depending on the rate the new hospital is receiving versus the rate the existing hospital is receiving. The cost increase for capital would not be reflected until the hospital receives their prospective per diem rate using their fourth prior year cost report which would not be expected to happen until FY 10.

Officials from the **Department of Health and Senior Services (DOH)** state the effect of the removal of the certificate of need process for health care services and health care facilities is unknown but greater than \$100,000. DOH states there is an indeterminate fiscal impact, which could result from additional costs or from cost savings due to future impact regarding the number of health care services or health care facilities requiring licensure, inspection and/or complaint investigations.

In similar notes from the previous sessions, DOH stated the proposal would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact any DOH programs, the DOH would request funding through the legislative process.

Officials from the **Missouri Health Facilities Review Committee (MHFRC)** stated this section would result in a loss of certificate of need application fees which go into General Revenue. MHFRC states there would be no oversight of new hospitals or the acquisition of major medical equipment.

MHFRC states in In FY 04, \$404,702 was received in application fees for new or replacement major medical equipment and construction of new hospitals. MHFRC states for FY 05 to date (seven months), \$355,070 was received in application fees. Annualizing this amount results in \$608,692 for the entire fiscal year. However, MHFRC has taken a more conservative approach and project closer to \$450,000 in application fees for FY 05 for these types of projects. All application fees go into General Revenue, therefore, there would be a loss to General Revenue of \$450,000 annually.

MHFRC states §197.305(8) references two exceptions to long term care review. MHFRC states it is difficult to estimate the impact of the exception to exclude "facilities of not-for-profit



ASSUMPTION (continued)

corporations in existence on October 1, 1980" since MHFRC does not know the corporate status of such facilities.

MHFRC states the second exception in that section excludes "any residential care facility I or residential care facility II operated by a religious organization qualified pursuant to Section 501(c)(3) . . . which does not require the expenditure of public funds . . . with a total licensed bed capacity of one hundred beds or less." Based on previous experience with religious considerations, MHFRC has estimated that approximately 120 additional residential care facility I or II beds would be added to the statewide inventory annually. Since these types of applications would be exempt from Certificate of Need review, there would be a loss of about \$4,000 in application fees.

**Section 197.710**

Officials from the **Office of Attorney General and the Office of State Courts Administrator** assume this section would not fiscally impact their agencies.

Officials from the **Department of Health and Senior Services (DOH)** assume this section would not fiscally impact the DOH. DOH states if an impact were to result, funds to support the program would be sought through the appropriations process.

**Section 334.251**

Officials from the **Missouri Department of Conservation, the Department of Public Safety - Missouri State Highway Patrol, the Department of Social Services, the Missouri Department of Transportation, and the Missouri Consolidated Health Care Plan** assume this section would not fiscally impact their agencies.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** did not respond to our fiscal note request. However in a similar proposal, HB 620 (L.R. 1729-01) the DED-PR stated 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.

Officials from the **Department of Mental Health (DMH)** state such limitations as those

ASSUMPTION (continued)

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.

**Section 376.393**

Officials from the **Missouri Department of Conservation** and the **Department of Insurance** assume this section would not fiscally impact their agency.

Officials from the **Missouri Department of Transportation (DOT)** stated this section prohibits health insurers from discriminating against any provider who is within the coverage area of the health benefit plan and who is willing to meet the terms and conditions for participation established by the health insurer. This proposal will have no fiscal impact on the Missouri Highway Transportation Commission/DOT. The term "health insurer" is not defined, but is probably not applicable to the Highway and Patrol Medical Plan. Also, the Medical Plan does not establish the terms and conditions for participation by a provider. As a result, this proposal will have no fiscal impact on the Highway and Patrol Medical Plan.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** stated competition fuels the contract negotiations between providers and a medical plan. Typically, providers give discounts in exchange for patient volume. If every provider participates in a health plan, health insurers cannot guarantee increased patient volume to providers making it difficult to negotiate lower prices. Providers may refuse to participate if the volume is no longer guaranteed. Then prices will start to escalate. This would result in significant cost to the plans who would recoup these costs through increased premiums. Also, accepting any willing provider into a plan's network may limit a health plan's ability to select providers on the basis of efficiency and quality.

ASSUMPTION (continued)

Although a little dated, several studies are still being cited by the available literature on this issue and they show a wide range of impacts. A study by the Barents Group, LLC of KPMG Peat Marwick, LLP for the Alliance for Managed Care states the impact to be about a 15 percent increase. Another study done by Atkinson and Company estimates the impact to be between 9.1 and 28.7 percent increase. In this response, HCP is taking a conservative approach on the potential impact of this legislation and using 10 percent.

In 2004, health care plans cost a total of \$376,255,440 for the state members and \$15,739,114 for the Public Entities. Currently, the state contributes approximately 77% towards the state member's premium. The total fiscal impact for the first year could be \$28,971,669 for the state portion and \$1,573,911 for the Public Entity portion, including the member's portion.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** state the proposed legislation states that a health insurer shall not discriminate against any provider who is located within the geographic coverage area of the health benefit plan and who is willing to meet the terms and conditions for participation established by the health insurer.

The DMS is affected by this proposal because it administers a managed care program which contracts with health maintenance organizations (HMOs) for the purpose of providing health care services through capitated rates. These HMOs are subject to the regulations in this proposal.

It is estimated there will be a fiscal impact to DMS because of this proposal. The proposal affects the shape of the HMO networks and also reduces the ability of the HMOs to negotiate terms. It is not possible to estimate the amount of the impact at this time. The cost will be incurred during the bidding process and the contract renewals. Capitation payments to managed care plans in FY 04 were over \$743 million. An increase of just one percent in the capitation rate will result in an additional annual cost of \$7.4 million. Therefore, the fiscal impact is unknown greater than \$100,000 annually.

| <u>FISCAL IMPACT - State Government</u>   | FY 2006<br>(10 Mo.)                           | FY 2007                                       | FY 2008                                       |
|---|---|---|---|
| <b>GENERAL REVENUE</b>  |   |   |   |
| <u>Revenues—Missouri Health Facilities<br/>Review Committee</u>                 |   |   |   |
| Reduction in application fees (Section 197.305 to 197.366)                      | (\$454,000)                                   | (\$454,000)                                   | (\$454,000)                                   |
| <u>Costs - Office of Administration</u>   |   |   |   |
| Surgeon General (Section 26.350)  | (Less than<br>\$100,000)                      | (Less than<br>\$100,000)                      | (Less than<br>\$100,000)                      |
| <u>Costs - Office of Attorney General</u>                                       |   |   |   |
| Litigation costs (Section 197.305 to 197.366)                                   | (Less than<br>\$100,000)                      | (Less than<br>\$100,000)                      | (Less than<br>\$100,000)                      |
| <u>Costs - Department of Mental Health</u>                                      |   |   |   |
| Increase in reimbursement to physicians (Section 334.251)                       | (\$163,424)                                   | (\$201,992)                                   | (\$208,052)                                   |
| <u>Costs - Missouri Consolidated Health<br/>Care Plan</u>                       |   |   |   |
| Increase in State share of health insurance premiums (Section 376.393)          | (Could exceed<br>\$18,718,595)                | (Could exceed<br>\$18,718,595)                | (Could exceed<br>\$18,718,595)                |
| <u>Costs - Department of Social Services -<br/>Division of Medical Services</u> |   |   |   |
| Increase in program costs (Section 376.393)                                     | (Unknown<br>exceeding<br>\$38,260)            | (Unknown<br>exceeding<br>\$38,260)            | (Unknown<br>exceeding<br>\$38,260)            |
| <b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE</b>                              | <b><u>(Could exceed<br/>\$19,374,279)</u></b> | <b><u>(Could exceed<br/>\$19,412,847)</u></b> | <b><u>(Could exceed<br/>\$19,418,907)</u></b> |

## OTHER STATE FUNDS

### Revenues - Department of Health and Senior Services

|                       |                 |                 |                 |
|-----------------------|-----------------|-----------------|-----------------|
| Miscellaneous sources | \$0 - \$195,861 | \$0 - \$222,865 | \$0 - \$232,637 |
|-----------------------|-----------------|-----------------|-----------------|

### Costs - Department of Health and Senior Services

|                                 |                          |                          |                          |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| Missouri Surgeon General Office | <u>\$0 - (\$195,861)</u> | <u>\$0 - (\$226,865)</u> | <u>\$0 - (\$232,637)</u> |
|---------------------------------|--------------------------|--------------------------|--------------------------|

### Total - Department of Health and Senior Services

|     |     |     |
|-----|-----|-----|
| \$0 | \$0 | \$0 |
|-----|-----|-----|

### Costs - Missouri Consolidated Health Care Plan

|  |                                   |                                   |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Increase in State share of health insurance premiums (Section 376.393) | <u>(Could exceed \$4,197,995)</u> | <u>(Could exceed \$4,197,995)</u> | <u>(Could exceed \$4,197,995)</u> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|

### **ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

|  |  |  |
|--|--|--|
| <u><b>(Could exceed \$4,197,995)</b></u> | <u><b>(Could exceed \$4,197,995)</b></u> | <u><b>(Could exceed \$4,197,995)</b></u> |
|--|--|--|

## INSURANCE DEDICATED FUND

### Income - Department of Insurance

|                               |                      |            |            |
|-------------------------------|----------------------|------------|------------|
| Filing fees (Section 191.235) | <u>\$0 - \$8,000</u> | <u>\$0</u> | <u>\$0</u> |
|-------------------------------|----------------------|------------|------------|

### **ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND**

|                             |                   |                   |
|-----------------------------|-------------------|-------------------|
| <u><b>\$0 - \$8,000</b></u> | <u><b>\$0</b></u> | <u><b>\$0</b></u> |
|-----------------------------|-------------------|-------------------|

**DEPARTMENT OF HEALTH AND  
SENIOR SERVICES  
ADMINISTRATIVE AND COST  
ALLOCATION FUND**

Income - Department of Health and  
Senior Services

|  |         |         |         |
|--|---------|---------|---------|
| Appropriations, deposits and transfers | Unknown | Unknown | Unknown |
|--|---------|---------|---------|

Costs - Department of Health and Senior  
Services

|           |           |           |
|-----------|-----------|-----------|
| (Unknown) | (Unknown) | (Unknown) |
|-----------|-----------|-----------|

**ESTIMATED NET EFFECT ON  
DEPARTMENT OF HEALTH AND  
SENIOR SERVICES  
ADMINISTRATIVE AND COST  
ALLOCATION FUND**

|            |            |            |
|------------|------------|------------|
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|------------|------------|------------|

**DEPARTMENT OF HEALTH AND  
SENIOR SERVICES DISASTER  
FUND**

Income - Department of Health and  
Senior Services

|                |         |         |         |
|----------------|---------|---------|---------|
| Appropriations | Unknown | Unknown | Unknown |
|----------------|---------|---------|---------|

Costs - Department of Health and Senior  
Services

|           |           |           |
|-----------|-----------|-----------|
| (Unknown) | (Unknown) | (Unknown) |
|-----------|-----------|-----------|

**ESTIMATED NET EFFECT ON  
DEPARTMENT OF HEALTH AND  
SENIOR SERVICES DISASTER  
FUND**

|            |            |            |
|------------|------------|------------|
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|------------|------------|------------|

**FEDERAL**

Income - Department of Mental Health

|   |          |          |          |
|---|----------|----------|----------|
| Increase in program reimbursements<br>(Section 334.251) | \$20,751 | \$25,648 | \$26,417 |
|---|----------|----------|----------|

Costs - Department of Mental Health

|  |            |            |            |
|--|------------|------------|------------|
| Increase in program costs (Section<br>334.251) | (\$20,751) | (\$25,648) | (\$26,417) |
|--|------------|------------|------------|

Income - Department of Social Services -  
Division of Medical Services

|  |                                  |                                  |                                  |
|--|----------------------------------|----------------------------------|----------------------------------|
| Reimbursements for increased program<br>payments (Section 376.393) | Unknown<br>exceeding<br>\$61,740 | Unknown<br>exceeding<br>\$61,740 | Unknown<br>exceeding<br>\$61,740 |
|--|----------------------------------|----------------------------------|----------------------------------|

Costs - Department of Social Services -  
Division of Medical Services

|  |                                    |                                    |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|
| Increase in capitated program payment<br>rates (Section 376.393) | (Unknown<br>exceeding<br>\$61,740) | (Unknown<br>exceeding<br>\$61,740) | (Unknown<br>exceeding<br>\$61,740) |
|--|------------------------------------|------------------------------------|------------------------------------|

Costs - Missouri Consolidated Health  
Care Plan

|  |                                       |                                       |                                       |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Increase in health insurance premiums<br>(Section 376.393) | <u>(Could exceed<br/>\$6,055,079)</u> | <u>(Could exceed<br/>\$6,055,079)</u> | <u>(Could exceed<br/>\$6,055,079)</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|

|  |  |  |  |
|--|--|--|--|
| <b>ESTIMATED NET EFFECT ON<br/>FEDERAL FUNDS</b> | <b><u>(Could exceed<br/>\$6,055,079)</u></b> | <b><u>(Could exceed<br/>\$6,055,079)</u></b> | <b><u>(Could exceed<br/>\$6,055,079)</u></b> |
|--|--|--|--|

|   |                     |         |         |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2006<br>(10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|---------|---------|

**ALL LOCAL GOVERNMENTS**

Costs - All Local Governments

|  |                                |                                |                                |
|--|--------------------------------|--------------------------------|--------------------------------|
| Increase in health insurance premiums<br>(Section 376.393) | <u>(Up to<br/>\$1,573,911)</u> | <u>(Up to<br/>\$1,573,911)</u> | <u>(Up to<br/>\$1,573,911)</u> |
|--|--------------------------------|--------------------------------|--------------------------------|

**ESTIMATED NET EFFECT ON ALL  
LOCAL GOVERNMENTS**

|                                       |                                       |                                       |
|---------------------------------------|---------------------------------------|---------------------------------------|
| <b><u>(Up to<br/>\$1,573,911)</u></b> | <b><u>(Up to<br/>\$1,573,911)</u></b> | <b><u>(Up to<br/>\$1,573,911)</u></b> |
|---------------------------------------|---------------------------------------|---------------------------------------|

### FISCAL IMPACT - Small Business

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

### DESCRIPTION

#### **Section 26.350**

This proposal establishes the Office of the Missouri Surgeon General in the Department of Health and Senior Services

#### **Section 191.235**

The proposal prohibits immunizations containing specified amounts of mercury preservatives after April 1, 2007 to knowingly pregnant women or children less than three years of age.

#### **Section 191.332**

This proposal specifies that newborn screening requirements are not limited to disorders and conditions currently outlined in law.

#### **Section 191.645**

Requires health care employers to make information available to employees regarding the risk of exposure to hepatitis C.

#### **Section 192.324**

Creates two funds for use by the Department of Health and Senior Services during a state or emergency and in return for certain goods and services provided.

#### **Section 193.015**

Modifies the requirements for creation and access to birth and death records.

#### **Section 197.305**

Defines "long-term care facilities" for purposes of the Certificate of Need Program and limits application of certificate of need requirements to long-term care facilities. Currently, certificate of need requirements apply to a broader range of health care facilities, including hospitals and long-term care facilities.

#### **Section 197.710**

Gives hospital medical staff the right to self-govern when establishing certain provisions of medical bylaws, rules, or regulations; selecting and removing medical staff officers; assessing and utilizing medical staff dues; retaining an attorney; and the initiation and adoption of bylaws, rules, regulations, or amendments.



Description (continued)

**Section 334.251**

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

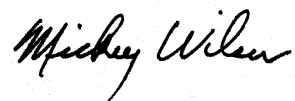
**Section 376.393**

Prohibits health insurers, the Missouri Medicaid Program, and the Medicare Program from discriminating against any provider located within the geographic coverage area of a health benefit plan who is willing to meet the terms and conditions for participation in the health benefit plan.

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  
Department of Social Services  
Department of Mental Health  
Office of Administration  
Missouri House of Representatives  
Department of Transportation  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation  
Department of Public Safety -  
Missouri State Highway Patrol  
Office of Attorney General  
Department of Economic Development  
State Treasurer's Office  
Office of State Courts Administrator



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Mickey Wilson, CPA  
Director  
April 18, 2005