

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0078-01  
Bill No.: HB 55  
Subject: Health Care; Health Care Professionals; Social Services Department  
Type: Original  
Date: February 22, 2007

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Bill Summary: This proposal creates the Healthcare Technology Fund and the Missouri Healthcare Technology Commission.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	(\$53,995 to Unknown)	(\$49,740 to Unknown)	(\$51,232 to Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$53,995 to Unknown)</b>	<b>(\$49,740 to Unknown)</b>	<b>(\$51,232 to Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Healthcare Technology Fund*			
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Assume potential transfers in-appropriations, gifts, or donations.

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Courts Administrator, Office of Administration, Department of Mental Health, Missouri Senate, Missouri House of Representatives** and the **Office of the Governor** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Secretary of State** assume 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 proposal for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be requested through the budget process.

**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 **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposal would require the DHSS to assign one existing Administrative Office Support Assistant to perform the administrative support functions for the commission. Duties would include appointment/meeting scheduling, processing reimbursement/expense accounts for allowable expenses and preparation of reports that are required by the bill. It is assumed administrative support will only be needed for approximately 6 months. This assumes the bill will go into effect by July 1, 2007 (due to an emergency clause) with final recommendations scheduled by January 1, 2008. DHSS will absorb the costs to administer the commission during this time frame.

Since the Department of Social Services is responsible for administering the Healthcare Technology Fund, DHSS assumes they will be submitting cost and revenue estimates related to this fund.

ASSUMPTION (continued)

Officials from the **Office of the State Treasurer (STO)** state they only ensure the disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. The STO suggests the following wording change: "The state treasurer shall be custodian of the fund. In accordance with Sections 30.170 and 30.180 RSMo, the state treasurer may approve disbursements"

If the wording isn't changed, STO will need an FTE (Accounting Specialist I - \$39,324 plus \$17,762 fringe = \$57,086) to monitor these disbursements. (This will be allocated proportionately as a retention of interest earnings on state funds in accordance with Section 30.605 RSMo)

**Oversight** has, for fiscal note purposes only, changed the starting salary for the STO position to correspond to the first 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 **Department of Social Services (DSS) - Division of Medical Services (DMS)** assume this legislation requires the DSS to administer the Healthcare Technology Fund and the Department of Health and Senior Services (DHSS) to provide administrative support to the Missouri Healthcare Information Technology Commission.

The DMS does not anticipate a fiscal impact beyond the budget request.

Section 1 which does not allow employers to require employees to have a personal identification microchip implanted as a condition of employment will not have a fiscal impact on the DMS. Nothing has changed in hiring practices.

**Oversight** notes that this proposal would create a fund which shall consist of gifts, donations, transfers, and moneys appropriated by the general assembly. Oversight assumes the fund would receive some gifts, etc, but Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund. Since this would be based upon an appropriation, Oversight will reflect the funding as a \$0 (no appropriation) to an unknown amount.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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**GENERAL REVENUE FUND**

<u>Transfer Out</u> --Transfer to the Healthcare Technology Fund*	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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<u>Costs</u> - Office of the State Treasure			
Personal Services	(\$33,038)	(\$34,029)	(\$35,050)
Fringe Benefits	(\$14,953)	(\$15,402)	(\$15,864)
Equipment and Expense	<u>(\$6,004)</u>	<u>(\$309)</u>	<u>(\$318)</u>
<u>Total Costs</u> - STO	<u>(\$53,995)</u>	<u>(\$49,740)</u>	<u>(\$51,232)</u>
FTE Change - STO	1 FTE	1 FTE	1 FTE

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$53,995 to</u> <u>Unknown)</u></b>	<b><u>(\$49,740 to</u> <u>Unknown)</u></b>	<b><u>(\$51,232 to</u> <u>Unknown)</u></b>
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Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE
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**HEALTHCARE TECHNOLOGY  
FUND**

<u>Transfer In</u> - Appropriation, gifts or donations*	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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<u>Costs</u> - Department of Social Services			
Healthcare system costs	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>

<b>ESTIMATED NET EFFECT ON HEALTHCARE TECHNOLOGY FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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\*Assume potential transfers in-appropriations, gifts, or donations.

FISCAL IMPACT - Local Government

FY 2008  
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This legislation creates the Healthcare Technology Fund administered by the Department of Social Services, in accordance with the recommendations of the newly established Missouri Healthcare Technology Commission unless otherwise specified by the General Assembly, to promote technological advances to improve patient care, decrease administrative burdens, and increase patient and healthcare provider satisfaction. Any programs or improvements on technology must include encouragement and implementation of technologies intended to improve the safety, quality, and costs of healthcare services.

Moneys in the fund cannot be expended to the financial benefit of any elected public official or any state employee who has direct decision-making or administrative authority over disbursements from the fund. At least 25% of the funds annually disbursed must be dedicated to technological upgrades and the promotion of technological advances in medically underserved communities and populations. The department must establish the procedures and methods for implementing the legislation.

The commission will consist of 16 members of the General Assembly with 10 members being selected by the Governor. The commission will develop and report recommendations relating to the expenditure of moneys appropriated to the fund to the Governor and General Assembly by January 1, 2008. The recommendations will include an analysis and review of the current status of healthcare information technology adoption by the healthcare delivery system in Missouri and address the potential technical, scientific, economic, security, privacy, and other issues related to the adoption of healthcare information technology. The commission will expire on April 15, 2008.

SEC:LR:OD (12/06)

FISCAL DESCRIPTION (continued)

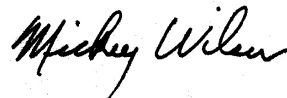
The legislation prohibits an employer from requiring an employee to have a personal identification microchip implanted as a condition of employment. A violation of this provision will be a class A misdemeanor.

The legislation contains an emergency clause.

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

Office of Administration  
Department of Social Services  
Office of the Attorney General  
Office of the Secretary of State  
Office of the State Courts Administrator  
Office of the Governor  
Department of Health and Senior Services  
Department of Mental Health  
Missouri Senate  
Missouri House of Representatives  
Office of the State Treasurer



Mickey Wilson, CPA  
Director  
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