

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0512-01
Bill No.: HB 66
Subject: Charities; Health Care; Health Care Professionals; Liability
Type: Original
Date: January 9, 2007

Bill Summary: Amends the definition of “free health clinic” for purposes of qualifying for inclusion under the state legal expense fund.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|-------------------|-------------------|-------------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | (\$54,727) | (\$60,591) | (\$62,409) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (\$54,727) | (\$60,591) | (\$62,409) |

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

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|--------------|--------------|--------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | 1 FTE | 1 FTE | 1 FTE |
| | | | |
| Total Estimated Net Effect on FTE | 1 FTE | 1 FTE | 1 FTE |

☐ 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).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of Administration - Risk Management** assume while the proposal further defines the definition of free health clinic, possibly expanding where the specified medical providers may provide treatment (without compensation) and be covered for liability under the State Legal Expense Fund, the specified medical providers remain restricted as to the type of medical care to be rendered and no additional cost is anticipated to the Fund.

The state self-assumes its own liability protection under the State Legal Expense Fund, Section 105.711, RSMo. It is a self-funding mechanism whereby funds are made available for the payment of any claim or judgment rendered against the state in regard to the waivers of sovereign immunity or against employees and specified individuals. Investigation, defense, negotiation or settlement of such claims is provided by the Office of the Attorney General. Payment is made by the Commissioner of Administration with the approval of the Attorney General.

Officials from the **Office of the Attorney General (AGO)** assume the proposal broadens the definition of 'free health clinic' for purposes of legal expense fund coverage. In addition, coverage is currently limited to 'primary and preventative care'. The proposal removes this limitation. The coverage of specialty health care under the legal expense fund would increase both the number of cases handled by AGO and the complexity of those cases. AGO assumes it would require one Assistant Attorney General I to handle the additional workload. AGO assumes a cost of approximately \$70,000 annually to the General Revenue Fund.

| <u>FISCAL IMPACT - State Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|--------------------------|--------------------------|--------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Cost - Office of the Attorney General</u> | | | |
| Personal Services | (\$27,896) | (\$34,479) | (\$35,514) |
| Fringe Benefits | (\$12,626) | (\$15,605) | (\$16,074) |
| Equipment and Expenses | <u>(\$14,205)</u> | <u>(\$10,507)</u> | <u>(\$10,821)</u> |
| <u>Total Cost - AGO</u> | <u>(\$54,727)</u> | <u>(\$60,591)</u> | <u>(\$62,409)</u> |
| FTE Change - AGO | 1 FTE | 1 FTE | 1 FTE |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>(\$54,727)</u> | <u>(\$60,591)</u> | <u>(\$62,409)</u> |
| Estimated Net FTE Change for General Revenue Fund | 1 FTE | 1 FTE | 1 FTE |
| <u>FISCAL IMPACT - Local Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This legislation broadens the definition of 'free health clinic' for purposes of legal expense fund coverage. In addition, coverage is currently limited to 'primary and preventative care'. The proposal removes this limitation.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Health and Senior Services
Office of the Attorney General
Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 9, 2007