

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0887-04
Bill No.: HCS for HB 512
Subject: Courts; Health Care; Health Care Professionals; Public Health; Liability;
Physicians; Workers Compensation
Type: Original
Date: March 21, 2007

Bill Summary: The proposal establishes the Asbestos and Silica Claims Priorities Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	Less than \$40,000	Less than \$40,000	Less than \$40,000
Total Estimated Net Effect on General Revenue Fund	Less than \$40,000	Less than \$40,000	Less than \$40,000

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
Federal	\$0	\$0	\$0
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
Total Estimated Net Effect on FTE	0	0	0

☐ 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 Natural Resources, Department of Public Safety – Director’s Office, – Missouri Veterans’ Commission, Department of Health and Senior Services, Department of Labor and Industrial Relations, and the Department of Insurance, Financial Institutions, and Professional Registration** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of the Attorney General (AGO)** assume the likelihood of a constitutional challenge to this bill may require the AGO to incur a one-time expense for litigation. Costs are not expected to exceed \$100,000.

In response to a previous version of the proposal, officials from the Office of the Attorney General (AGO) assumed no fiscal impact. Therefore, **Oversight** assumes the AGO could absorb any costs within existing resources.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Department of Social Services (DOS)** assume the proposal creates the “Asbestos and Silica Claims Priorities Act,” which establishes criteria for civil claims arising out of exposure to asbestos or silica.

DOS states when Medicaid recipients receive personal injury settlements, the Division of Medical Services (DMS) is to be repaid for any expenditure related to the injury. In order to collect, DMS must assert a lien against the personal injury settlement. DMS is unable to determine the number of recipients exposed to asbestos or silica or the number of potential claims that would be pursued by Medicaid recipients. However, based on historical knowledge regarding the average cost recovery per claim, DMS assumes the fiscal impact due to increased recoveries would be less than \$100,000 per fiscal year (\$60,000 Federal Funds and \$40,000 General Revenue).

Oversight assumes the income in federal funds would be offset by an increase in costs in the form of program reimbursements.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE FUND			
<u>Income</u> – Department of Social Services			
Recovery of personal injury settlements	<u>Less than</u> <u>\$40,000</u>	<u>Less than</u> <u>\$40,000</u>	<u>Less than</u> <u>\$40,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u><u>Less than</u></u> <u><u>\$40,000</u></u>	<u><u>Less than</u></u> <u><u>\$40,000</u></u>	<u><u>Less than</u></u> <u><u>\$40,000</u></u>
FEDERAL FUND			
<u>Income</u> – Department of Social Services			
Recovery of personal injury settlements	Less than \$60,000	Less than \$60,000	Less than \$60,000
<u>Costs</u> – Department of Social Services			
Program reimbursements	(<u>Less than</u> <u>\$60,000</u>)	(<u>Less than</u> <u>\$60,000</u>)	(<u>Less than</u> <u>\$60,000</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FISCAL IMPACT - Small Business

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

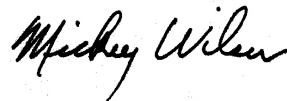
FISCAL DESCRIPTION

The proposal creates the “Asbestos and Silica Claims Priorities Act, which establishes criteria for civil claims arising out of exposure to asbestos or silica.

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 the Attorney General
Office of State Courts Administrator
Department of Natural Resources
Department of Public Safety
 – Director’s Office
 – Missouri Veterans Commission
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Social Services
Department of Insurance, Financial Institutions, and Professional Registration



Mickey Wilson, CPA
Director
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