

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1448-03
Bill No.: HB 682
Subject: Health Care; Health Care Professionals; Health Department; Health, Public
Type: Original
Date: April 16, 2007

Bill Summary: This proposal establishes the Physical Facility Emergency Medical Services AED Act which requires physical fitness facilities to have an automated external defibrillator available at the facility.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$112,567)	(\$111,494)	(\$114,807)
Total Estimated Net Effect on General Revenue Fund	(\$112,567)	(\$111,494)	(\$114,807)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Physical Fitness Facility Medical Emergency Services	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 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	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 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	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Office of the Attorney General** and the **Department of Insurance, Financial Institutions & Professional Registration** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Lincoln University (LU)** assume the proposal would have minimal fiscal impact on LU in the form of purchasing required equipment for future programs.

Officials from the **University of Missouri** assume the proposal does not have an immediate significant cost impact on the indoor University Facilities or outdoor facilities with a permanent structure to house/protect an Automated External Defibrillator (AED). An AED costs between \$1,500 - \$2,000 each. UM estimates the overall cost to comply is no greater than \$20,000.

However, the costs impact to outdoor facilities without a permanent structure to house/protect an AED could be significant. The definition of an outdoor recreation facility could include all University intramural sports fields, many of which have no permanent facilities associated with them. The costs to power and house an AED and the costs to provide trained operator are difficult to determine unless it is clear whether these will be required.

Officials from the **Parkway School District** assume the proposal would have a fiscal impact of \$31,500 on their agency. This estimate includes 5 units at each of the 4 high schools plus 1 for the centralized facility at an estimated conservative cost of \$1,500 each.

Oversight assumes this proposal would have a less than \$100,000 fiscal impact on the schools, colleges and universities.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DHSS)** state the legislation establishes the "Physical Fitness Facility Medical Emergency Services Fund" for the receipt of fines imposed on physical fitness facilities for violating the requirements established by the act. Fines shall not be imposed for an initial violation. For a second or subsequent violation, a fine can be assessed only after the facility has had an opportunity to present their case to a hearing officer. The amount of the fine for a second violation is to be between \$500 and \$999.99. For a third or subsequent violation the fine amount is to be at least \$1,000. The amount of fines to be deposited into the fund is unknown but is assumed to be minimal since there is no fine for a first violation and a hearing process is required before assessing fines for subsequent violations. It is believed that the amount of fines received would be insufficient to support the administrative costs of the program so General Revenue funding would be required.

It is very difficult to estimate the number of physical fitness facilities throughout the state that would be required to comply with the bill's requirements. There are more than 600 fitness centers in Kansas City, St. Louis, Springfield and Columbia alone (info. from review of internet yellow pages). This number would most certainly be higher when looking at the entire state. There are greater than 1,200 schools, universities, trade schools and colleges in the state (info. from DESE website). Some of these facilities may fall under the exemptions provided in the bill, such as facilities serving less than 100 individuals, facilities located in a hospital or in a hotel or motel, or facilities that does not employ any full-time employees to provide training or assistance to users of the facility. For computation purposes, Division of Regulation and Licensure (DRL) assumes 1,800 facilities would be included in this legislation.

Three staff will be needed to implement the provisions of the bill:

Two EMS Inspector I positions – DRL is assuming one initial inspection for each facility will be conducted. Inspections after the initial inspection would be determined by rule. The two inspectors would review medical emergency plans submitted by the facilities, conduct the initial inspections and any required follow-up activity (revisits, etc.), perform subsequent inspections as determined by rule, investigate complaints, assure AEDs are appropriately used and maintained, assure accurate numbers of employees are trained as required, assist in rule development, and respond to inquiries from the public and facilities.

Assuming 1,800 facilities and an average of 2 hours of work required annually for activities related to each facility.

ASSUMPTION (continued)

1,800 facilities x 2 hours each = 3,600 staff hours required. 3,600 hours/2,080 available hours per staff person per year = 1.73 FTE. Taking into consideration non-facility specific activities identified above such as rule development, responding to inquiries, etc. the FTE is rounded up to 2 FTE.

In addition, One Senior Office Support Assistant is needed to perform clerical and keyboarding duties related to tracking plans submitted by physical fitness facilities, scanning plans, faxing, telephone, copying, etc.

It is believed that existing hearing officers in DRL would be able to provide hearing officer services when needed for second violations by physical fitness facilities. No costs are included.

ITSD anticipates the following costs related to scanning the physical fitness facilities plans for handling medical emergencies:

- One-time costs for hardware - \$5,090;
- One-time costs for software - \$5,850;
- On-going costs for yearly maintenance of software licenses - \$1,095;
- One-time cost for 0.10 FTE for a CIT Specialist I during the first-year to plan, implement, train, manage, and configure the scanning system - \$4,447

Due to the small percentage of the ITSD FTE (.10), no costs were included for equipment or expenses for this position.

Some of the facilities required to comply may be owned or operated by park districts, municipalities, or other units of local governments, or secondary schools. The number is unknown and costs are considered to be unknown. They would be required to have at least one AED device, and have staff trained in AED usage during operating hours. There would be additional costs related to maintenance, batteries, and electrodes for the AED.

CPR/AED training can be provided by the American Heart Association or the American Red Cross at a cost of approximately \$40.00 per person for certification.

AEDs cost approximately \$2,300 per unit.

Oversight assumes the ITSD could absorb a .10 FTE. Also, **Oversight** assumes DRL could absorb the clerical and keyboarding duties with existing staff. Therefore, for fiscal note purposes only, oversight has not included the cost of a CIT Specialist or a Senior Office Support Assistant in the fiscal impact.

ASSUMPTION (continued)

Oversight has, for fiscal note purposes only, changed the starting salary for the DHSS positions 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.

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

Costs - Department of Health and Senior Services

Personal Services	(\$55,064)	(\$68,059)	(\$70,101)
Fringe Benefits	(\$24,922)	(\$30,804)	(\$31,728)
Equipment and Expense	<u>(\$32,581)</u>	<u>(\$12,631)</u>	<u>(\$12,978)</u>
<u>Total Costs - DHSS</u>	<u>(\$112,567)</u>	<u>(\$111,494)</u>	<u>(\$114,807)</u>
FTE Change - DHSS	2 FTE	2 FTE	2 FTE

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$112,567)</u>	<u>(\$111,494)</u>	<u>(\$114,807)</u>
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Estimated Net FTE Change for General Revenue Fund	2 FTE	2 FTE	2 FTE
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**PHYSICAL FITNESS FACILITY
MEDICAL EMERGENCY
SERVICES FUND**

Income - Department of Health and Senior Services

Fines	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT ON PHYSICAL FITNESS FACILITY MEDICAL EMERGENCY SERVICES FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Local Government

FY 2008
 (10 Mo.)

FY 2009

FY 2010

POLITICAL SUBDIVISIONS

Costs - School Districts, Colleges and Universities

Costs related to an AED

(Less than
\$100,000)

(Less than
\$100,000)

(Less than
\$100,000)

**ESTIMATED NET EFFECT ON
 POLITICAL SUBDIVISIONS**

(Less than
\$100,000)

(Less than
\$100,000)

(Less than
\$100,000)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This legislation establishes the Physical Fitness Facility Emergency Services AED Act which requires physical fitness facilities to adopt, implement, and maintain a plan for responding to medical emergencies. A copy of the plan must be filed with the Department of Health and Senior Services before January 1, 2008.

The legislation defines "automated external defibrillator (AED)," "medical emergency," and "physical fitness facility".

The legislation requires every physical fitness facility to have at least one properly tested and maintained AED on its premises by January 1, 2008.

The legislation requires a physical fitness facility to ensure that there is one trained AED user on staff. Staff must receive AED and cardiopulmonary resuscitation training by a nationally recognized organization or course.

FISCAL DESCRIPTION (continued)

The legislation requires the Department to establish rules to train physical fitness facility staff on the use of an AED and cardiopulmonary resuscitation and inspect facilities to ensure compliance.

The legislation specifies that a violation of these provisions will result in a written warning for the first offense and a fine for subsequent offenses.

The legislation allows the Attorney General to enforce the collection of fines.

The legislation creates the Physical Fitness Facility Medical Emergency Services Fund for the deposit of any fines collected.

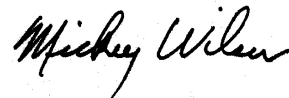
The legislation specifies that exemptions from civil liability are not limited or expanded.

The legislation requires compliance with these provisions by July 1, 2008.

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
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Office of Administration
Lincoln University
University of Missouri
Parkway School District



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Director
April 16, 2007