

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4124-02
Bill No.: HB 1546
Subject: Health Care; Health Care Professionals; Health, Public; Health Department
Type: Original
Date: February 26, 2008

Bill Summary: This legislation amends various sections regarding infection control procedures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$1,615,010)	(\$1,884,977)	(\$1,936,411)
Total Estimated Net Effect on General Revenue Fund	(\$1,615,010)	(\$1,884,977)	(\$1,936,411)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	9 FTE	9 FTE	9 FTE
Total Estimated Net Effect on FTE	9 FTE	9 FTE	9 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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services** assume the proposal requires hospitals to establish certain procedures and protocols for an infection control program for methicillin-resistant staphylococcus aureus (MRSA). Since hospitals currently do these items as part of their infection control program now, they would not incur additional costs. Therefore this proposal will not have a fiscal impact to the MO HealthNet Division.

Officials from the **Department of Health and Senior Services (DHSS)** states section 192.020 adds three diseases to the Department's reportable disease list. This results in the following additional duties.

Division of Community and Public Health Costs:

The Department assumes there is an estimated 30,000 cases of MRSE in Missouri healthcare facilities per year (this is based on a low-end estimate of approximately 3.4 percent of the 882,592 persons in medical and long-term care facilities in 2006). The Department also estimates there is approximately 5,000 cases of VRSA in Missouri healthcare facilities per year.

The Department currently has five Information Support Coordinators to enter lab reports and basic demographic information for approximately 35,000 cases of Gonorrhea and Chlamydia per year. It is estimated that six Information Support Coordinators should be able to enter the increased load of MRSA, VRSA, and VRE corresponding data. The additional FTE would be needed to handle supplemental risk factor information.

One Senior Epidemiology Specialist would work as an MRSA/VRSA/VRE specialist who reviews the data, generates reports, and provides consultation to the medical community and LPHAs on the control and prevention of these diseases.

Half of the duties of one Senior Office Support Assistant position (0.5 FTE) would be necessary to provide clerical support to the six Information Support Coordinators and one Senior Epidemiology Specialist to route correspondence and provide basic support functions.

Standard expense and equipment would be needed for the FTE listed above.

ASSUMPTION (continued)

Contractual agreements with LPHAs:

Local public health agencies are required to follow-up on disease reports under 19 CSR 20-20.020 (9) and 19 CSR 20-20.040 (3) and (4). It is anticipated that all communicable disease contracts with local public health agencies will need increased funding to meet their additional reporting and disease investigation requirements. The Department assumes without additional funding, many of the local public health agencies would become overwhelmed and would not be able to meet the follow up investigations that would be required. The additional funding would be distributed through the core public health contracts. The Department estimates an additional \$1,175,000 would be needed based on the following distribution to the local public health agencies: twenty local public health agencies with the largest populations will receive \$35,000 each; and the remaining ninety-five local public health agencies will receive \$5,000 each. This estimate was based on the current distribution formula as to how funds are distributed to the LPHAs from the CDC Preparedness Grant.

Information Technology Services Division Costs:

The existing communicable disease data system is a transactional application that provides a centralized and integrated database for the entry, update, and retrieval of disease/conditions surveillance information of interest to public health. This centralization and integration provides a flexible system capable of modification for changes to case definitions, reportable diseases, local health department needs and other significant issues of public health concern, including emerging infections (e.g. Novel Influenza A, Monkeypox), outbreaks, and bio-terrorism. For analysis of surveillance data, the system feeds data into a data warehouse. Data can be analyzed directly from the data warehouse or downloaded and analyzed in another program such as SAS, Epi-Info, Excel, or other tools already in use by surveillance personnel and the local public health agencies.

If MRSA, VRSA and VRE become reportable, they will be added to the diseases captured in the existing application. Many of the existing screens will be used to capture information about the conditions. However, there will be supplemental information that will need to be captured. It is estimated that two to three new screens would need to be developed. Additional resources would be needed to:

- Update the existing application to allow supplemental information on the conditions to be reported;
- Update the data warehouse database to store the additional information; and
- Update the instruction manual available through the application.

ASSUMPTION (continued)

It is assumed that the application will continue to reside on servers at DHSS-ITSD. Due to the increase in the amount of data that will be collected and stored, additional storage space will need to be purchased. The hardware costs included in this response assumed the ongoing leasing of all hardware. Total ITSD fiscal impact is \$29,014 in FY09, \$27,014 in FY10 and FY11.

One Computer Information Technology Specialist II would be needed to provide project management, development support and administration/maintenance of the application. One Computer Information Technology Specialist I would be needed to provide business analysis, programming and support of the application.

Standard expense and equipment would be needed for these FTE.

One IT Consultant would be needed to provide high-level database and programming skills to the application. (2,080 hours/year x \$69.00/ hour = \$143,520)

It is also assumed that no other funding is or will be available to support this project.

Section 197.150.2:

Hospitals are already required to have an infection control program that is reviewed by the Division of Regulation and Licensure staff during surveys/inspections. The additional MRSA specific requirements included would be reviewed at the same time as the existing infection control program requirements. The additional time that would be required is believed to be minimal.

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.

Oversight assumes the DHSS could absorb a one-half Senior Office Support Assistant FTE.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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GENERAL REVENUE FUND

Costs - Department of Health and Senior Services

Personal Service	(\$255,286)	(\$315,533)	(\$324,999)
Fringe Benefits	(\$112,887)	(\$139,529)	(\$143,715)
Equipment and Expense	(\$95,136)	(\$49,131)	(\$50,605)
Contractual Agreements with LPHAs	(\$979,167)	(\$1,210,250)	(\$1,246,558)
ITSD Hardware Purchase & Leasing	(\$29,014)	(\$27,014)	(\$27,014)
ITSD Conversion of Database	<u>(\$143,520)</u>	<u>(\$143,520)</u>	<u>(\$143,520)</u>
<u>Total Costs - DHSS</u>	<u>(\$1,615,010)</u>	<u>(\$1,884,977)</u>	<u>(\$1,936,411)</u>
FTE Change - DHSS	9 FTE	9 FTE	9 FTE

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(\$1,615,010)</u>	<u>(\$1,884,977)</u>	<u>(\$1,936,411)</u>
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Estimated Net FTE Change for General Revenue Fund

9 FTE	9 FTE	9 FTE
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<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Reporting requirements apply to private medical care providers and schools. It is possible that small hospitals could incur costs related to establishing a MRSA control program. DHSS estimates that no more than five hospitals fall within the small business designation of less than 100 employees.

FISCAL DESCRIPTION

The proposed legislation changes the laws regarding infection control.

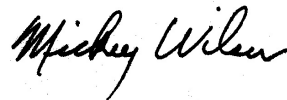
This legislation requires all cases, including non-hospital acquired cases, of methicillin-resistant staphylococcus aureus (MRSA), vancomycin-resistant staphylococcus aureus, and vancomycin-resistant enterococcus to be reported to the Department of Health and Senior Services.

This legislation specifies when ventilator-associated pneumonia should be included by the Department in quarterly infection incidence rate reports. Also it requires every hospital licensed in the state to develop an MRSA control program beginning January 1, 2009.

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 Public Safety



Mickey Wilson, CPA
Director
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