

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4329-05  
Bill No.: SCS for HCS for HB 1790, HB 1805 and HCS for HB 1546  
Subject: Health Care; Health Care Professionals; Health Department; Hospitals; Physicians  
Type: Original  
Date: May 2, 2008

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Bill Summary: This legislation modifies the designation of hospitals as trauma, heart attack, or stroke centers to implement a time critical diagnosis system.

This legislation amends various sections regarding infection control procedures.

Allows enrollees to pay the lower of the copayment assigned by the health maintenance organization or health insurer or the usual and customary retail price of the prescription drug.

**FISCAL SUMMARY**

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND                          |            |            |            |
|-----------------------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                                         | FY 2009    | FY 2010    | FY 2011    |
|                                                                       |            |            |            |
|                                                                       |            |            |            |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue<br/>Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

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

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |            |            |            |
|---------------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                                 | FY 2009    | FY 2010    | FY 2011    |
|                                                               |            |            |            |
| <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 2009  | FY 2010  | FY 2011  |
|                                                           |          |          |          |
| <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 2009    | FY 2010    | FY 2011    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Highways and Transportation, Department of Conservation** 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 **Department of Public Safety (DPS) - Director's Office** defer to the Missouri Consolidated Health Care Plan for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state that currently under the HCP contract, if the co-payment amount is higher than the cost of the drug, the member pays the cost of the drug. Therefore, this proposal will have no fiscal impact on the HCP.

Officials from the **Taney County Ambulance District** assumes the proposal would have some fiscal impact but not major to the district.

**Oversight** assumes the Taney County Ambulance District could absorb the non-major fiscal impact.

Officials from the **Department of Social Services** states the Institutional Reimbursement Unit (IRU) of the MO HealthNet Division (MHD) determines a per diem reimbursement rate for each hospital based on the cost reports submitted by the hospital to the IRU. Payments are made to all hospitals based on their per diem rate for all inpatient care they provide regardless of the patient's injury or disease.

The proposal creates additional designations for heart attack or stroke centers. Although facilities' payments may be identified differently due to these designations, their overall payments will not increase or decrease due to these designations. Some incidental costs may be incurred by the facilities due to licensing fees and paperwork associated with these designations, but MHD assumes these costs would be insignificant.

DSS assumes that hospitals are already implementing these procedures as part of their infection control program and would not incur additional costs that would be passed to the Division. Therefore this proposal will not have a fiscal impact to the MO HealthNet Division.

ASSUMPTION (continued)

DSS assumes MO HealthNet recipients pay a shared dispensing fee, but they are not required to pay a co-payment for prescription drugs. Therefore, there is no fiscal impact on the MO HealthNet Division.

Officials from the **Department of Health and Senior Services (DHSS)** state the following:

Section 190.241:

This section of the proposal requires the Department to designate a hospital as a STEMI or stroke center if they meet the necessary criteria and complete the application and review process. An on-site review would be completed every five (5) years. The legislation would also allow the DHSS to establish an appropriate fee for the review.

It is difficult to estimate the number of hospitals that will participate as STEMI and/or stroke centers. There are currently 29 hospitals designated as trauma centers. DHSS believes that most of the 29 trauma centers would also participate as a stroke center, but that only about two-thirds (19) would participate as STEMI centers. DHSS further believes there will be other hospitals that are not trauma centers that would participate in one or both programs.

Section 190.200.2:

This section of the proposal requires the Department to compile and assess clinical research and guidelines on treatment standards, to promulgate rules on transportation of patients to the proper center within time limits suggested by the clinical research and to promote the development of regional or community-based plans for the transportation of STEMI or stroke patients and establishment of procedures for department approval. DHSS believes that existing resources, including grant funding from the Centers for Disease Control and Prevention, can be utilized to implement this program. No additional funding would be required.

Section 197.150.2:

Hospitals are already required to have an infection control program that is reviewed by DHSS, DRL staff during surveys/inspections. The additional MRSA specific requirements included in this section of the proposed legislation 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, therefore the fiscal impact is considered to be zero for DHSS.

| <u>FISCAL IMPACT - State Government</u> | FY 2009<br>(10 Mo.) | FY 2010    | FY 2011    |
|-----------------------------------------|---------------------|------------|------------|
|                                         | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2009<br>(10 Mo.) | FY 2010    | FY 2011    |
|-----------------------------------------|---------------------|------------|------------|
|                                         | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

#### FISCAL IMPACT - Small Business

The stroke and STEMI center provisions included in Sections 190.100 through 190.245 of the proposed legislation could impact small ambulance services by mandating that a patient be transferred to a hospital that is not the closest facility. The cost for this should be reimbursed by private insurance companies, but there could be an issue with coverage from Medicare.

It is also possible that small hospitals could incur costs related to establishing a methicillin-resistant staphylococcus aureus (MRSA) control program in accordance with the requirements in Section 197.150.2 of the proposed legislation. The Department of Health and Senior Services (DHSS) estimates that no more than five hospitals fall within the small business designation of less than 100 employees.

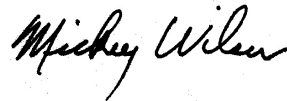
#### FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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  
Taney County Ambulance District  
Department of Highways and Transportation  
Department of Conservation  
Department of Public Safety  
Missouri Consolidated Health Care Plan  
Department of Insurance, Financial Institutions & Professional Registration

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

Mickey Wilson, CPA  
Director  
May 2, 2008