

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4978-02
Bill No.: HB 2243
Subject: Health Care; Health Department
Type: Original
Date: March 10, 2008

Bill Summary: This legislation creates the Missouri Fibromyalgia Awareness Initiative Program and allows a health care professional with prescriptive authority to override the restricted use of medications for fibromyalgia patients.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$2,814,900)	(\$3,522,680)	(\$3,680,303)
Total Estimated Net Effect on General Revenue Fund	(\$2,814,900)	(\$3,522,680)	(\$3,680,303)

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 6 pages.

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

*Income and costs of \$4,738,527 in FY09, \$5,944,491 in FY10 and \$6,211,993 in FY11 would net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health** 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 Social Services** states the following:

Section 191.392 states that a prescriber may override restrictions if the preferred treatment has been ineffective, expected to be ineffective or cause an adverse reaction. MO HealthNet Division expects a fiscal impact.

Based on historical data, 23,425 participants have a fibromyalgia diagnosis. The annual drug cost per participant is \$2,562. It is projected this legislation will result in an increase in drug spending of 15% for this population. The annual fiscal impact will be \$9,002,228 ($\$2,562 \times 15\% = \$384.30 \times 23,425$). The fiscal impact for FY09 will be \$7,498,856 (10 months); \$9,407,328 in FY10 and \$9,830,658 in FY11. A 4.5% trend was added for FY10 and FY11.

Oversight notes that states can earn the federal medical assistance percentage (FMAP) on Medicaid program expenditures. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the actual FMAP each year. The FMAP is calculated using economic indicators from state and the nation as a whole. Missouri's FMAP for FY09 is a 63.19% federal match. The state matching requirement is 36.81%.

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposal establishes the Missouri Fibromyalgia Awareness Initiative Program within the DHSS. The Department shall appoint and convene the Missouri Fibromyalgia Panel and shall provide the panel and program necessary administrative services and support.

The Department would require the following staff to provide the panel and program administrative services and support:

- One Health Program Representative III (HPR III) to provides support and consultation for technical aspects of the program by promoting public awareness activities and disseminating the latest knowledge about fibromyalgia. This position would be responsible for overseeing the planning and implementation of project activities, coordination with other agencies, development of educational materials, in-service and technical assistance, and ensuring appropriate evaluation of program efforts.

ASSUMPTION (continued)

- One Senior Office Support Assistant (SOSA) would be responsible for correspondence, conference/meeting setup, tracking of information, record keeping and routine clerical duties for program staff and Missouri Fibromyalgia Panel.

Standard expense and equipment would be needed for the two additional staff.

Oversight assumes the DHSS could absorb one Senior Office Support Assistant FTE. 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 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
Increase in participant costs	(\$2,760,329)	(\$3,462,837)	(\$3,618,665)
<u>Costs - Department of Health and Senior Services</u>			
Personal Services	(\$30,509)	(\$37,709)	(\$38,840)
Fringe Benefits	(\$13,491)	(\$16,675)	(\$17,175)
Equipment and Expense	<u>(\$10,571)</u>	<u>(\$5,459)</u>	<u>(\$5,623)</u>
<u>Total Costs - DHSS</u>	<u>(\$54,571)</u>	<u>(\$59,843)</u>	<u>(\$61,638)</u>
FTE Change - DHSS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$2,814,900)</u>	<u>(\$3,522,680)</u>	<u>(\$3,680,303)</u>
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE

FEDERAL FUNDS

Income - Department of Social Services

Federal Assistance	\$4,738,527	\$5,944,491	\$6,211,993
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Costs - Department of Social Services

Increase in participant costs	<u>(\$4,738,527)</u>	<u>(\$5,944,491)</u>	<u>(\$6,211,993)</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

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

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

FISCAL DESCRIPTION

The proposed legislation establishes the Missouri Fibromyalgia Awareness Initiative Program within the Department of Health and Senior Services and requires the Department to establish the Missouri Fibromyalgia Panel. The Department must provide the program and the panel with necessary administrative services and support. The panel will be comprised of volunteers with knowledge and expertise regarding fibromyalgia research, prevention, educational programs, and consumer needs to guide program development.

The panel is required to seek and accept private, federal, or other public financial support, grants, or other appropriate funds to support the program.

The panel is required to consult with the National Fibromyalgia Association to raise at least \$50,000 through private funding to establish a public information and outreach campaign for issues related to fibromyalgia.

FISCAL DESCRIPTION (continued)

The panel is required to work with other state and local agencies to promote fibromyalgia education and training programs for physicians and health professionals.

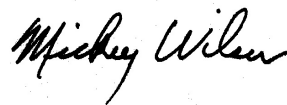
Health care professionals with prescriptive authority will be allowed to override certain restrictions on medications used to treat fibromyalgia.

The provisions regarding the program and the panel will only be implemented if the panel obtains the required private funding.

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 Mental Health
Department of Health and Senior Services
Department of Social Services

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

Mickey Wilson, CPA
Director
March 10, 2008