

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3297-03
Bill No.: HB 1887
Subject: Medical Procedures and Personnel; Licenses-Professional; Board, Commissions, Committees, Councils;
Type: Original
Date: March 1, 2010

Bill Summary: This legislation requires certain vascular laboratories to be accredited by the Intersocietal Commission for the Accreditation of Vascular Laboratories.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| General Revenue | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (Unknown) | (Unknown) | (Unknown) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| 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 2011 | FY 2012 | FY 2013 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|--------------------|--------------------|--------------------|
| FUND AFFECTED | FY 2011 | FY 2012 | FY 2013 |
| General Revenue | Unknown FTE | Unknown FTE | Unknown FTE |
| | | | |
| Total Estimated Net Effect on FTE | Unknown FTE | Unknown FTE | Unknown 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 2011 | FY 2012 | FY 2013 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Section 197.675:

In response to a similar proposal from this year (SB861), officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health and Senior Services (DHSS)** assume the number of noninvasive vascular laboratories in the state is unknown. Some facilities currently licensed by the Department have these types of labs, but they also exist at many locations not subject to DHSS licensure requirements. For example, if the type of lab covered includes ultrasound, any physician's office that has ultrasound capability would be required to be accredited and to report to the DHSS. Physician's offices are not regulated by the DHSS. In addition, noninvasive vascular laboratories in Missouri are not currently licensed by DHSS. This type of lab may be utilized in licensed facilities, but a separate license is not currently required.

Staff would be needed to review and approve documentation submitted by labs to ensure compliance with the accreditation requirement, track the status of labs, and identify labs failing to achieve accreditation or losing accreditation and ensure they are no longer billing for their

ASSUMPTION (continued)

services. Due to the unknown number of labs, the number of staff needed to implement the legislation is unknown and the fiscal impact is considered unknown.

If the intent of the proposed legislation is to require accreditation of labs in licensed facilities only, the review for this type of credentialing would be an additional step in the inspection process. This would result in a minimal impact to the Department.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2011 (10 Mo.) | FY 2012 | FY 2013 |
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

Costs - Department of Health and Senior Services

| | | | |
|---------------------------|-------------|-------------|-------------|
| Personal Service | (Unknown) | (Unknown) | (Unknown) |
| Fringe Benefits | (Unknown) | (Unknown) | (Unknown) |
| Equipment and Expense | (Unknown) | (Unknown) | (Unknown) |
| Program Costs | (Unknown) | (Unknown) | (Unknown) |
| <u>Total Costs - DHSS</u> | (Unknown) | (Unknown) | (Unknown) |
| FTE Change - DHSS | Unknown FTE | Unknown FTE | Unknown FTE |

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

| | | | |
|---|------------------|------------------|------------------|
| | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| Estimated Net FTE Change for General Revenue Fund | Unknown FTE | Unknown FTE | Unknown FTE |

| | | | |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2011 (10 Mo.) | FY 2012 | FY 2013 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

The proposed legislation requires certain vascular laboratories to be accredited by the Intersocietal Commission for the Accreditation of Vascular Laboratories and submit documentation to the Department of Health and Senior Services confirming their accreditation. This could impact small laboratories that would be considered a small business.

FISCAL DESCRIPTION

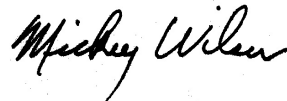
Section 197.675:

The proposed legislation requires all noninvasive vascular laboratories to be certified by the Intersocietal Commission for the Accreditation of Vascular Laboratories or the American College of Radiology. Vascular laboratories must submit an application for accreditation to either one of the certifying entities by July 1, 2011. Documentation confirming the accreditation must be provided to the Department of Health and Senior Services by October 1, 2011. A laboratory that fails to attain or loses accreditation cannot charge, bill, or be compensated for any services.

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 Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Office of the Secretary of State



Mickey Wilson, CPA
Director
March 1, 2010