

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1178-04  
Bill No.: HCS for SCS for SB 177  
Subject: Mental Health Dept.; Administrative Law  
Type: Original  
Date: April 28, 2011

Bill Summary: Department of Mental Health.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown greater than \$100,000)</b>	<b>(Unknown greater than \$100,000)</b>	<b>(Unknown greater than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Insurance Dedicated	Up to \$5,000	\$0	\$0
Parks and Soils Sales Tax	(Unknown)	(Unknown)	(Unknown)
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Mental Health Earnings	Unknown less than \$100,000	Unknown less than \$100,000	Unknown less than \$100,000
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 19 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal**	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*\* Income and expenditures up to \$10 million and net to \$0.**

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue Fund	Unknown	Unknown	Unknown
Federal Funds	Up to 7.5	Up to 7.5	Up to 7.5
<b>Total Estimated Net Effect on FTE</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</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 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

Officials from the **Office of State Treasurer** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education** defer to the Department of Revenue for response regarding the potential fiscal impact of this proposal on their organization.

### **Section 144.030**

In response to similar legislation (HCS SB 284), officials from the **Office of Administration (COA) - Administrative Hearing Commission, Department of Insurance, Financial Institutions, and Professional Registration, Department of Health and Senior Services, and Department of Social Services** assumed the proposal would have no fiscal impact on their agencies.

In response to similar legislation (HCS SB 284), officials from the **Office of Secretary of State (SOS)** stated the fiscal impact for this proposal is less than \$2,500. The SOS 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

In response to similar legislation (HCS SB 284), officials from the **Department of Revenue** assumed the proposal will have no fiscal impact on their organization. However, it will reduce total state revenue.

In response to similar legislation (HCS SB 284), officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated the proposed legislation should not result in additional costs or savings to the BAP. The proposed sales tax exemption of diabetic accessories, medical equipment rentals, certain over-the-counter drugs, and certain physician ordered medical equipment will decrease general and total state revenues, and local revenues including those for education, by an unknown amount.

ASSUMPTION (continued)

In response to similar legislation (HCS SB 284), officials from the **Missouri Department of Conservation (MDC)** stated the proposal will have an unknown negative fiscal impact on the MDC. The Conservation Sales Tax funds are derived from a one-eighth of one percent sales and use tax pursuant to Article IV Section 43(a) of the Missouri Constitution. Exempting diabetic accessories and supplies prescribed by a practitioner and certain medical equipment, supplies, and devices, whether purchased or rented, from sales tax will decrease sales tax collected and thus would decrease revenue to the Conservation Sales Tax funds. The Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Officials from the **Department of Natural Resources (DNR)** state Section 144.030.2(18) of this proposal would exempt all sales of diabetic accessories and supplies including, but not limited to, blood sugar testing monitors and test strips, lancet devices, lancets, and blood sugar control solutions, over-the-counter or non-prescription drugs which are prescribed by a physician or any medical equipment, supplies or devices which are ordered by a physician or that are otherwise paid for by insurance, the federal Medicare program or the Missouri Medicare program from state and local sales and use tax.

The DNR's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, any additional sales and use tax exemption would result in a loss to the Parks and Soils Sales Tax Funds. The amount of the fiscal impact from the exemption proposed in this proposal is unknown.

In response to similar legislation (HCS SB 284), officials from the **City of Kansas City** assumed the loss in sales tax revenue would not be great. However, the City cannot define its sales tax revenue to this level of detail and is unable to make a more accurate estimate of the loss as a result of this proposal.

**Oversight** notes that this proposal would provide a new exemption for diabetic accessories and supplies, rentals of certain medical equipment and communicative devices as prescribed by a practitioner, and for any medical equipment, supplies, or devices that are provided to a person on or by the order of a physician, or that are otherwise paid for by a third-party health insurer, Medicare, or Medicaid. In addition, the proposal exempts from sales tax nonprescription drugs prescribed by a practitioner. **Oversight** assumes the exemption for these items would reduce General Revenue by an amount that is unknown but greater than \$100,000 annually.

**Oversight** was not able to locate any additional information regarding the retail sales that would be affected by the changes in sales tax exemptions if this proposal is enacted. For fiscal note purposes, **Oversight** will indicate unknown revenue reductions for all other impacted funds.

ASSUMPTION (continued)

No other local governments responded to **Oversight's** request for a statement of fiscal impact.

Sections 191.1100 - 191.1112

In response to similar legislation (HCS HB 29), officials from the **Office of the State Courts Administrator, Department of Mental Health** and the **Office of Administration - Budget and Planning** each assumed the proposal would have no fiscal impact on their respective agencies.

In response to similar legislation (HCS HB 29), officials from the **Department of Health and Senior Services (DHSS)** stated the number of sponsoring organizations (any organization that organizes or arranges for the voluntary provision of health care services and registers with the DHSS as a sponsoring organization) is unknown. As a result, the number of registrations and the resulting fee revenue (\$50 X the number of registrations) is unknown.

Since DHSS, Division of Regulation and Licensure does not know the number of potential sponsoring organizations, the number of staff and the related costs that would be required to administer the program is also unknown.

In response to similar legislation (HCS HB 29), officials from the **Office of Administration (COA) - General Services/Risk Management (GS/RM)** stated the proposal has the potential for savings to the Legal Expense Fund (LEF) if the medical professionals that are currently covered under this proposal are indemnified and if they do not seek coverage under the LEF, unless the provider rendered services outside the scope of his or her license or engaged in gross negligence or willful misconduct in which case the LEF could be responsible for payment.

**Oversight** assumes, because the potential for savings is speculative, that the COA-GS/RM will not incur significant savings related to this proposal.

In response to similar legislation (HCS HB 29), officials from the **Office of the Attorney General (AGO)** stated the proposal authorizes the applicable licensing board to refer cases to the AGO to pursue injunctive relief for violations. AGO assumes that there would not be many such referrals and that any potential costs can be absorbed with existing resources; if significant referrals result, however, AGO may seek an additional appropriation to handle the caseload.

In response to similar legislation (HCS HB 29), officials from the **Department of Insurance, Financial Institutions and Professional Registration** stated insurers would be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the Department for review along with a \$50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,000.

ASSUMPTION (continued)

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the Department will need to request additional staff to handle increase in workload.

Section 192.300

**Oversight** assumes the provisions of this section will have no fiscal impact on Henry County.

Section 208.240

In response to similar legislation (HB 201), officials from the **Department of Health and Senior Services** assumed the proposal would have no fiscal impact on their agency.

In response to similar legislation (HB 201), officials from the **Department of Mental Health (DMH)** assumed while this legislation allows MO HealthNet to implement a statewide dental delivery system, it does not provide coverage to additional Medicaid participants. If implemented, the DMH clients may have more access to dental providers that accept Medicaid. Many of DMH's facilities have a dentist on staff which provides dental care to DMH clients. DMH does purchase minimal dental services for clients. If these services are received and covered in the proposed legislation, there could be a minimal savings to DMH.

In response to similar legislation (HB 201), officials from the **Department of Social Services** stated under the Administrative Services Only (ASO) model, a single entity would enter into an agreement with the Mo HealthNet Division (MHD) to administer the program. The contractor would be responsible and reimbursed for setting up a network of dental providers, fielding provider and client complaints, providing quality assurance, and handling other administrative work. This arrangement would be a new cost to the MHD. Projected Per Member Per Month (PMPM) cost is \$.54/month.

The current count of Medicaid eligible - adults and children is 899,022.

MHD assumes current Medicaid eligibles would receive dental services at current coverage-children, pregnant women, blind persons and nursing facility residents will have full coverage and all others have a limited dental package of prescribed medically necessary services.

The annual cost is \$5,825,663 (899,022 x \$.54 x 12). Since all eligibles would receive services under this model, the current dental administration for managed care eligibles (\$387,374) has been subtracted to arrive at the additional cost \$5,438,289 (\$5,825,663 - \$387,374).

ASSUMPTION (continued)

A 15% increase in utilization is expected. The FY10 dental payments were multiplied by 15% to arrive at the projected increase of \$7,609,905.

Projected annual cost: \$5,438,289 + \$7,609,905 = \$13,048,194.

A 3.6% trend was added to FY13 and FY14.

FY12 (10 months): \$10,873,495 (\$3,991,660 GR); FY13: \$13,517,929 (\$4,962,432 GR) and FY14: \$14,004,574 (\$5,141,079 GR).

The cost is shown as a range from zero to the maximum cost because the language in the legislation is permissive.

Also, the total fiscal impact assumes that all Medicaid recipients - both those with a full benefit package and those with a limited dental package, would be enrolled in the ASO model. There are 590,323 individuals with a full dental benefit package. If only those with the full package were enrolled in the ASO, the annual cost would be reduced to \$10,343,799\*.

\*This cost includes the \$.54 PMPM ASO cost and the 15% increased utilization for this group only, along with a reduction for current managed care administration for dental services.

**Section 208.247**

In response to similar legislation (HB 509), officials from the **Department of Health and Senior Services** assumed the proposal would have no fiscal impact on their agency.

In response to similar legislation (HB 509), officials from the **Department of Mental Health (DMH)** stated the legislation allows persons with drug convictions to obtain food stamps if they are successfully involved in, or have completed, or are on a waiting list for a drug treatment program approved by the DMH, Division of Alcohol and Drug Abuse (ADA). DMH assumes those eligible for food stamps and subject to this legislation will be placed on waiting lists for substance abuse treatment and provided such treatment as openings become available. DMH assumes there would be no fiscal impact to the DMH as a result of this legislation.

In response to similar legislation (HB 509), officials from the **Office of the Secretary of State (SOS)** stated 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

ASSUMPTION (continued)

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.

In response to similar legislation (HB 509), officials from the **Department of Corrections (DOC)** assumed passage of this proposal would not have direct fiscal impact for the DOC although it would affect certain offenders in various treatment programs in the community as outlined within the legislation. Food stamps for these individuals could help them sustain their commitment to their treatment programs which may prove to be a catalyst against recidivism.

In response to a similar legislation (HB 74), officials from the **Department of Social Services (DSS) - Division of Legal Services (DLS)** stated during FY10, the hearing unit conducted 72 hearings on the issue of convicted drug felons being prohibited from receiving Food Stamp benefits. There were 11,836 total hearing requests in FY10. By eliminating the prohibition of convicted drug felons receiving Food Stamp benefits, this would only reduce the number of hearings by .006%. This would have no fiscal impact.

Litigation does not anticipate any fiscal impact. The legislation will expand the number of additional food stamp recipients and it is, therefore, not expected to generate any litigation.

DLS will defer to the Family Support's Division of the fiscal impact of the legislation on the Family Support Division.

In response to a similar legislation (HB 74), officials from the **DSS - Information Technology Services Division (ITSD)** states the following changes would be needed in the Family Assistance Management Information System:

1. The Sanction/Disqualification screen would require modifications.
2. The eligibility determination algorithm for Food Stamps would have to be modified to include individuals that would no longer meet sanction or disqualification criteria.



ASSUMPTION (continued)

3. A new screen would need to be created to track compliance (offenders may be in treatment, completed treatment or be on a waiting list).
4. New reports would need to be created in the FAMIS Managed Reporting system to facilitate compliance tracking.
5. FAMIS correspondence to clients would need to be modified with language regarding disqualifications associated with a drug felony conviction and requirements to participate in a drug/alcohol treatment program to re-qualify.
6. Some clients that are currently sanctioned may be enrolled or have completed a treatment program. Would need to generate a report listing these individuals so eligibility specialists can re-evaluate eligibility for this population.

<u>Function</u>	<u>Work Effort (hours)</u>
Analysis and Design	60 hours
Create/Update Specification Documents	40 hours
Update Data Model (OCCR)	80 hours
Modify Eligibility Determination Process	40 hours
Modify Sanction/DQ Screen	80 hours
Create New Compliance Screen	160 hours
Data Warehouse Extracts Modifications	80 hours
Reports Programming-Modify Existing/Create New	80 hours
Notices Extract Programming	80 hours
AFP Programming for Notices	80 hours
Sanctioned Individuals Report (one-time execution)	40 hours
Testing/Coordination (Unit and System)	60 hours
Total	<b><u>880 hours</u></b>

Assumptions:

1. Proof of participation in a DMH approved drug/alcohol abuse program will be in the form of documentation provided by the client. No additional, automated interface with Department of Mental Health will be required.
2. Estimates for programming to generate notices to recipients assume that contract staff will code the extracts and state staff will code the Advanced Function Printing (AFP) modules.
3. Estimate for Managed Reporting function assumes that consultants will complete the changes for the data warehouse extract programming and existing state staff will complete the programming for the WebFOCUS reports.
4. Estimate for identifying currently sanctioned individuals and listing them on a report for eligibility evaluation assumes work will be completed by state staff.
5. There will be no impact after FY12 so projecting no costs beyond the first year.
6. Based on the above assumptions, state staff will perform 200 hours of the effort and contract staff will complete the remaining 680 hours.

ASSUMPTION (continued)

Current rate for IT consultants for the FAMIS project averages \$90.00 per hour. Current rate for ITSD staff averages \$42.56 per hour. Total Cost:  $(200 \text{ hours} \times \$42.56/\text{hr}) + (680 \text{ hours} \times \$90.00/\text{hr}) = \$69,712$ .

Match rates for FAMIS are 76% GR and 24% Federal. Cost from General Revenue Funds = \$52,981.12; Cost from Federal Funds = \$16,730.88; Total Cost = \$69,712.

In response to similar legislation (HB 509), officials from the **DSS - Family Support Division (FSD)** assumed this legislation could add up to a total of 23,239 cases to the Food Stamp caseloads. The FSD anticipates these to phase in over a period of time, with 15% receiving the first year, and 15% each year for five years (75%). The FSD arrived at this number in this manner: There are currently 27,448 persons known to FAMIS as having a felony drug conviction. Of these persons, 4,209 are already known to the FSD as they are currently on an active Food Stamp case, however not receiving Food Stamps due to a felony drug conviction.

$27,448 - 4,209 = 23,239 \times 15\% = 3,486$  new cases added each year over a period of five years. Not all individuals will qualify for Food Stamps under this new legislation.

The FSD estimates a total of 12 new Eligibility Specialists would be needed each year to maintain the increased caseload size and take applications. This is based on an average caseload standard of 300 ( $3,486/300 = 11.62$ , rounded up to 12).

On a 10-1 ratio, Eligibility Specialist to Eligibility Supervisor, the FSD would need 1 new Eligibility Supervisors ( $12/10 = 1.2$ , rounded down to 1).

On a ratio of 6-1 Eligibility Specialist/Eligibility Supervisor to Professional Staff, the FSD would need an additional 2 professional staff. ( $12 + 1 = 13/6 = 2.2$ , rounded down to 2.  $2 \times 75\% = 1.5$ , rounded up to 2 OSA).

Total new FTE:  $12 + 1 + 2 = 15$  per year  $\times 5$  years = 75 new staff total.

The FSD assumes existing Central Office Program Development Specialists in the Policy Unit will be able to complete necessary policy and/or forms changes.

The FSD assumes OA-ITSD will include the FAMIS programming costs needed to implement the provisions of this bill in their fiscal note response.

There will be increased EBT costs to process the additional Food Stamp payments to recipients. In the past, the increased EBT costs could have been absorbed with core funding, however caseloads have grown significantly and there is no longer sufficient funds available to absorb this increase in caseloads.

ASSUMPTION (continued)

In FY12, the cost of EBT services to process each Food Stamp case will be \$1.53 per month. Since it is projected that 3,486 new cases would be added each year over a period of five years, the estimated increased cost for EBT is:

FY12: 3,486 cases x 10 months x \$1.53 = \$53,336

FY13: 6,972 (3,486 + 3,486) cases x 12 months x \$1.53 = \$128,006

FY14: 10,458 (6,972 + 3,486) cases x 12 months x \$1.53 = \$192,009

**Oversight** assumes, because the amount of increase in food stamp cases is speculative, that the FSD might not require the full number of FTE asked for in the FSD fiscal impact response. Therefore, for fiscal note purposes only Oversight has added “Up to” to the fiscal impact.

Sections 630.053, 630.095 and 630.167

In response to an earlier version of this proposal, officials from the **Office of Administration - Administrative Hearing Commission** anticipated this legislation will not significantly alter its caseload.

In response to an earlier version of this proposal, officials from the **Department of Mental Health (DMH)** stated the proposed section 630.053.5 allows the Mental Health Earnings Fund (MHEF) for the deposit of revenue received from the proceeds of any sales and services from Mental Health First Aid USA. These proceeds are to be used for the purpose of funding Mental Health First Aid USA activities. The Department of Mental Health, Office of Transformation has collaborated with the State of Maryland, the National Council for Community Behavioral Healthcare, and Mental Health First Aid (MHFA) founders to create the Mental Health First Aid-USA program. Missouri DMH will be included in authorship and copyright of the MHFA-USA manual and instructor training manual/kit. It is unknown at this time how wide spread the use of MHFA will be and how much revenue would potentially be realized as a result of MHFA training and the sale of materials. As a result, DMH assumes an unknown, < \$100,000 impact to the Mental Health Earnings Fund.

Section 630.167.3(1) authorizes investigative reports to be admissible in administrative hearings held by the Administrative Hearing Commission in addition to hearings held by the Director of the DMH, or the director’s designee. This does not appear to result in any fiscal impact to the department.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE FUND</b>			
<u>Income - DHSS (§§191.1100 - 191.1112)</u>			
Registration fee revenue	Unknown*	Unknown*	Unknown*
<u>Costs - DHSS (§§191.1100 - 191.1112)</u>			
Personal service	(Unknown)	(Unknown)	(Unknown)
Fringe benefits	(Unknown)	(Unknown)	(Unknown)
Equipment and expense	(Unknown)	(Unknown)	(Unknown)
Program costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Total <u>Costs - DHSS</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>
FTE Change - DHSS	Unknown FTE	Unknown FTE	Unknown FTE
*Oversight assumes income will exceed costs.			
<u>Costs - DSS</u>			
Increase in Medicaid program costs (\$208.240)	\$0 to (\$3,991,660)	\$0 to (\$4,962,432)	\$0 to (\$5,141,079)
<u>Costs - DSS - ITSD</u>			
Programming costs (§208.247)	(\$52,981)	\$0	\$0
<u>Costs - DSS - FSD (§208.247)</u>			
Personal service	(Up to \$175,155)	(Up to \$424,745)	(Up to \$643,489)
Fringe benefits	(Up to \$91,676)	(Up to \$222,312)	(Up to \$336,802)
Equipment and expense	<u>(Up to \$110,535)</u>	<u>(Up to \$197,584)</u>	<u>(Up to \$274,747)</u>
Total <u>Costs - DSS</u>	<u>(Up to \$4,422,007)</u>	<u>(Up to \$5,807,070)</u>	<u>(Up to \$6,396,117)</u>
FTE Change - DSS	Up to 7.5 FTE	Up to 15 FTE	Up to 22.5 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE FUND</b> <b>(continued)</b>			
<u>Loss - Reduction in sales tax revenue</u> Reduction in sales taxes received from exemption of certain medical care items (\$144.030)	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u><u>(Unknown greater than \$100,000)</u></u>	<u><u>(Unknown greater than \$100,000)</u></u>	<u><u>(Unknown greater than \$100,000)</u></u>
Estimated Net FTE Change for General Revenue Fund	Unknown FTE	Unknown FTE	Unknown FTE
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP</u> Form filling fees (§§191.1100 - 191.1112)	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<u><u>Up to \$5,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<b>PARKS AND SOILS SALES TAX FUND</b>			
<u>Loss - DNR</u> Reduction in sales taxes received from exemption of certain medical care items (\$144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON PARKS AND SOILS SALES TAX FUND</b>	<u><u>(Unknown)</u></u>	<u><u>(Unknown)</u></u>	<u><u>(Unknown)</u></u>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>CONSERVATION COMMISSION FUND</b>			
<u>Loss - MDC</u>			
Reduction in sales taxes received from exemption of certain medical care items (\$144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
<b>SCHOOL DISTRICT TRUST FUND</b>			
<u>Loss - Reduction in sales tax revenue</u>			
Reduction in sales taxes received from exemption of certain medical care items (\$144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>	<u><b>(Unknown)</b></u>
<b>MENTAL HEALTH EARNINGS FUND</b>			
<u>Income - DMH</u>			
Sales and training revenues of MHFA- USA information (\$630.053.5)	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>	<u>Unknown less than \$100,000</u>
<b>ESTIMATED NET EFFECT ON MENTAL HEALTH EARNINGS FUND</b>	<u><b>Unknown less than \$100,000</b></u>	<u><b>Unknown less than \$100,000</b></u>	<u><b>Unknown less than \$100,000</b></u>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>FEDERAL FUNDS</b>			
<u>Income - DSS</u>			
Federal Assistance (§208.240)	\$0 to \$6,881,835	\$0 to \$8,555,497	\$0 to \$8,863,495
<u>Income - DSS - ITSD</u>			
Federal Assistance (§208.247)	\$16,731	\$0	\$0
<u>Income - DSS - FSD</u>			
Federal Assistance (§208.247)			Up to
	Up to \$377,366	Up to \$844,641	\$1,255,038
<u>Total Income - DSS</u>	Up to <u>\$7,275,932</u>	Up to <u>\$9,400,138</u>	Up to <u>\$10,118,533</u>
<u>Costs - DSS</u>			
Program Costs (§208.240)	\$0 to (\$6,881,835)	\$0 to (\$8,555,497)	\$0 to (\$8,863,495)
<u>Costs - DSS - ITSD</u>			
Programming Costs (§208.247)	(\$16,731)	\$0	\$0
<u>Costs - DSS - FSD</u> (§208.247)			
Personal Service	(Up to \$175,155)	(Up to \$424,745)	(Up to \$643,489)
Fringe Benefits	(Up to \$91,676)	(Up to \$222,312)	(Up to \$336,802)
Equipment and Expense	(Up to <u>\$110,535</u> )	(Up to <u>\$197,584</u> )	(Up to <u>\$274,747</u> )
<u>Total Costs - DSS</u>	(Up to <u>\$7,275,932</u> )	(Up to <u>\$9,400,138</u> )	(Up to <u>\$10,118,533</u> )
FTE Change - DSS	Up to 7.5 FTE	Up to 15 FTE	Up to 22.5 FTE
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change for Federal Funds	Up to 7.5FTE	Up to 7.5 FTE	Up to 7.5FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**LOCAL GOVERNMENTS**

Loss - Reduction in sales tax revenue

Reduction in sales taxes received from exemption of certain medical care items (\$144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON  
LOCAL GOVERNMENTS**

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

If any of the sponsoring organizations are small business, there would be an unknown impact on them to register and to provide quarterly reports. There would also be a \$50 registration fee. (§§191.1100 - 191.1112)

Additional Missouri residents will be eligible for Food Stamp benefits, and will be using those benefits to purchase food at Missouri retailers. (§208.247)

FISCAL DESCRIPTION

This proposal exempts from state and local sales tax all sales of diabetic accessories and supplies, and rented medical oxygen, wheelchairs, scooters, reading machines, electronic print enlargers, electronic communication devices, and items used to modify motor vehicles for individuals with disabilities. The proposal also modifies the sales tax exemption for nonprescription drugs, so that nonprescription drugs prescribed by a practitioner are exempt. Any medical equipment, supplies, or devices that are ordered by a doctor, or paid for by a third-party insurer, Medicare, or Medicaid, will also be exempt from these taxes. (§144.030)

This legislation establishes the Volunteer Health Services Act which allows a licensed health care provider to render volunteer professional health care services for a sponsoring organization. Any person with a suspended or revoked license or who renders services outside the scope of his or her license is not eligible to provide services under the legislation. Before a health care professional can provide volunteer services, the sponsoring organization must register with the Department of Health and Senior Services and pay a \$50 fee. A sponsoring organization must file a quarterly voluntary services report with the Department, keep its records of health care provider volunteers up to date, and maintain the records for five years following the service rendered by the health care provider volunteer.



FISCAL DESCRIPTION (continued)

An insurer providing professional liability coverage to a health care provider on or after August 28, 2011, cannot exclude coverage to a health care provider who volunteers his or her health care services if the sponsoring organization and the health care provider comply with the provisions of the legislation.

Any health care provider volunteering his or her services will not be liable for any civil damages for any act or omission resulting from his or her service unless there was gross negligence or willful misconduct. A volunteer cannot receive any form of direct or indirect compensation, benefits, or considerations for his or her health care services and must perform acts within the scope of his or her professional license and in compliance with all applicable health care regulations.

Any volunteer crisis response team member who participates in a crisis intervention cannot be liable in tort for any personal injuries or emotional distress of any participant to the intervention that is caused by the act or omission of the team member during an intervention with certain specified exceptions. (§§191.1100 - 191.1112)

This legislation authorizes the MO HealthNet Division within the Department of Social Services, or a contractor of the Division, to implement a statewide dental delivery system to ensure recipient participation and access to providers of dental services under MO HealthNet. (§208.240)

The proposed legislation specifies that, pursuant to the option granted by 21 U.S.C. Section 862a(d) under the federal Personal Responsibility and Work Opportunity Act of 1996, an individual who has pled guilty to or is found guilty under federal or state law of a felony involving the possession or use of a controlled substance must be eligible for federal food stamp program benefits if:

- (1) The person, as determined by the Department of Social Services, is successfully participating in, is accepted for treatment but on a waiting list, or has satisfactorily completed a substance abuse treatment program approved by the Division of Alcohol and Drug Abuse within the Department of Mental Health;
- (2) A Division-certified treatment provider determines that the person does not need substance abuse treatment; or
- (3) The person is successfully complying with or has already complied with all obligations imposed by a court, the Division of Alcohol and Drug Abuse, and the Division of Probation and Parole within the Department of Corrections.

The individual must also meet all other factors for food stamp program eligibility. (§208.247)

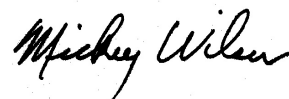
FISCAL DESCRIPTION (continued)

This proposal allows the Mental Health Earnings Fund to be used for the deposit of revenue received from the proceeds of any sales and services from Mental Health First Aid USA. Subject to the approval through the appropriation process, the proceeds must be used to fund Mental Health First Aid USA activities and must be accounted for separately from all other revenues deposited into the fund. The Department of Mental Health is not required to pay the fund for proceeds made from these sales and services. (§§630.053, 630.095 and 630.167)

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 Attorney General  
Office of Administration -  
    Administrative Hearing Commission  
    Division of Budget and Planning  
    Division of General Services/Risk Management  
Office of State Courts Administrator  
Department of Elementary and Secondary Education  
Department of Insurance, Financial Institutions, and Professional Registration  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Health and Senior Services  
Department of Revenue  
Department of Social Services  
Missouri Department of Conservation  
Office of Secretary of State  
Office of State Treasurer  
City of Kansas City



Mickey Wilson, CPA

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