

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4536-01
Bill No.: HB 1052
Subject: Social Services, Department of; Health Care; Education, Elementary and Secondary
Type: Original
Date: January 24, 2014

Bill Summary: This proposal requires the Department of Social Services to develop incentive programs to encourage health care facilities to co-locate on the property of certain public elementary and secondary schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 to (Unknown)	\$0 to (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Revenues and expenditures \$0 to unknown and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 208.661 - School-Based Clinics:

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this legislation requires the DSS to develop incentive programs to encourage Rural Health Clinics (RHCs), Federally Qualified Health Centers (FQHCs), or other primary care practices to co-locate on the property of public elementary and secondary schools with fifty percent or more students who are eligible for free or reduced price lunch.

If the incentive programs consist of grants, the grants could have a fiscal impact on MHD. MHD could offset such grants from the costs reported by FQHCs or RHCs when MHD performs their FQHC/RHC Medicaid cost settlements. However, if MHD amends its regulations to exempt such grants from offset, the fiscal impact to MHD would be greater than if the incentive grants are offset.

Assuming that this legislation is passed, if a school-based clinic becomes certified and approved by federal agencies as an FQHC or RHC site, the site must first be enrolled with Medicare before it can be enrolled as a Medicaid FQHC/RHC site. Due to the time required for the enrollment process, there will be no fiscal impact for FY 15. Not knowing who will elect to use this and the utilization makes the fiscal impact for FY 16 and FY 17 unknown.

Oversight is ranging the costs from \$0 to (Unknown) for FY 16 and FY 17 because 208.661.4 provides that the provisions of the proposal will be null and void unless and until any waivers necessary are granted by the federal government.

Officials from the **Department of Elementary and Secondary Education** state section 208.661 appears to provide the potential for local school districts to gain an incentive; however, any impact cannot be estimated.

Officials from the **Francis Howell School District (FHSD)** state they do not currently have any schools with 50%+ Free and Reduced Price lunch students. Therefore, there is no fiscal impact on the FHSD.

Officials from the following **school districts**: Blue Springs Public Schools, Branson Public Schools, Carondelet Leadership Academy, Charleston R-I Schools, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Fulton Public School, Independence Public Schools,

HWC:LR:OD

ASSUMPTION (continued)

Jefferson City Public Schools, Johnson County R-7 Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Malden R-I Schools, Malta Bend Schools, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Special School District of St. Louis County, Spickard School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools and Warren County R-III School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Cost - DSS-MHD (\$208.661)</u>			
Grant expenditures	<u>\$0</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
FEDERAL FUNDS			
<u>Income - DSS-MHD (\$208.661)</u>			
Increase in program reimbursements	\$0	\$0 to Unknown	\$0 to Unknown
<u>Costs - DSS-MHD (\$208.661)</u>			
Increase in program expenditures	<u>\$0</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a negative fiscal impact on small business healthcare providers if RHCs or FQHCs co-locate onto the property of certain schools and reduce the number of healthcare visits made to the local providers.

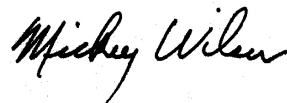
FISCAL DESCRIPTION

This proposal requires the Department of Social Services to develop incentive programs, submit state plan amendments, and apply for necessary waivers to permit rural health clinics, federally-qualified health centers, or other primary care practices to co-locate on the property of public elementary and secondary schools with 50% or more students who are eligible for free or reduced-price lunch. Any school-based health care clinic is prohibited from performing or referring for abortion services or providing or referring for contraceptive drugs or devices. The consent of a parent or guardian must be required before a minor can receive health care services from a school-based health care clinic. These provisions will be null and void unless and until any necessary waivers are granted by the federal government.

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 Elementary and Secondary Education
Department of Social Services -
 MO HealthNet Division
Francis Howell School District



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