

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5929-04
Bill No.: HCS for HB 1898
Subject: Health Department; Hospitals; Children and Minors
Type: Original
Date: April 8, 2014

Bill Summary: This proposal requires the Department of Health and Senior Services to develop standards for all levels of hospital perinatal care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 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 7 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

* Unknown income and expenses net to \$0.

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

☐ 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

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

Section 192.380.2

This proposed section creates and defines the make-up of the proposed Perinatal Advisory Council (PAC). Section 192.380 does not indicate who is responsible for providing support and coordination to the Council. Neither does it indicate what, if any, expenses of the council members are to be paid on their behalf or reimbursed to them. This section is considered to have an unknown fiscal impact.

Section 192.380.3

This proposed section requires the Perinatal Advisory Council to establish standards for all levels of hospital perinatal care including regional perinatal centers.

Section 192.380.3(5)

This section of the proposed legislation requires that procedures be implemented to confidentially identify and report to the department all high-risk birth outcomes. The department currently receives reports of many high risk birth outcomes through the various reporting systems that are already in place. However, the legislation is unclear if this is to be a separate system and what the department is expected to do with the information. The costs related to the reporting system and possible data analysis is therefore unknown.

Section 192.380.6

This proposed section indicates that the DHSS is to promulgate rules and regulations by January 1, 2016, to establish the standards developed by the Council. The fiscal impact, including the amount of staff needed to implement the rules based on the standards and related activities of the council, is considered unknown at this time.

The legislation is intended for healthcare systems to develop better systems of care and referrals for high risk pregnancies in order to achieve better birth outcomes. It is assumed that the improved systems could lead to more referrals to the Bureau of Special Health Care Needs which, in turn, would result in an increase in enrollment for the Children and Youth with Special Health Care Needs (CYSHCN) and Healthy Children and Youth (HCY) programs. The increase in enrollment would be unknown and result in an unknown negative fiscal impact.

ASSUMPTION (continued)

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. Assuming the standards would be required to be implemented by the hospitals by January 1, 2015, the additional cost would begin to be reflected in 2015 cost reports. MO HealthNet would use 2015 cost reports to establish reimbursement for state FY (SFY) 19. Therefore, there would not be a fiscal impact to the MHD for FY 15, FY 16, and FY 17, but starting FY 19 there could be an additional cost, but the amount is unknown.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of 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 Secretary of State's office 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 this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized 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 within its 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.

Officials from the **Department of Mental Health (DMH)** state there appears to be nothing in this proposal that creates an obligation or requirement for the DMH that would result in a fiscal impact.

Officials from the **Office of Administration - General Services Division** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DHHS (\$192.380)</u>			
Personal service	(Unknown)	(Unknown)	(Unknown)
Fringe benefits	(Unknown)	(Unknown)	(Unknown)
Equipment and expense	(Unknown)	(Unknown)	(Unknown)
Program costs (CYSHCN & HCY)	(Unknown)	(Unknown)	(Unknown)
Total <u>Costs</u> - DHSS	(Unknown)	(Unknown)	(Unknown)
FTE Change - DHSS	Unknown FTE	Unknown FTE	Unknown FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Estimated FTE Change on the General Revenue Fund	Unknown FTE	Unknown FTE	Unknown FTE
FEDERAL FUNDS			
<u>Income - DHSS (\$192.380)</u>			
CYSHCN & HCY program reimbursements	Unknown	Unknown	Unknown
<u>Costs - DHSS (\$192.380)</u>			
CYSHCN & HCY program expenditures	(Unknown)	(Unknown)	(Unknown)
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 may negatively impact small business hospitals if they provide perinatal care.

FISCAL DESCRIPTION

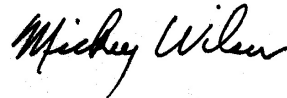
This proposal creates the Perinatal Advisory Counsel which is to make recommendations for the division of the state into neonatal and maternal care regions. The Counsel is to establish standards for all levels of hospital perinatal care including regional perinatal centers. The standards are to be based upon evidence and best practices as outlined by the most current version of the "Guidelines for Perinatal Care" and any guidelines developed by the Society for Maternal-Fetal Medicine and the geographic and needs of the citizens of the state.

The standards under this section shall be established by the Department of Health and Senior Services no later than January 1, 2016. The standards shall be deemed sufficient for the purposes of the section if they require the perinatal care facilities to submit plans or enter into agreements with the department that address provisions outlined in the proposal.

This legislation is not federally mandated, would not duplicate any other program but may require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Joint Committee on Administrative Rules
Office of the Secretary of State



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Director
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