

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5962-01
Bill No.: HB 2074
Subject: Vital Statistics; Health Department; Funerals and Funeral Directors
Type: Original
Date: March 24, 2014

Bill Summary: This proposal requires the Department of Health and Senior Services to develop and maintain an electronic death registration system.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Up to \$260,140)	(Up to \$204,960)	(Up to \$204,960)
Total Estimated Net Effect on General Revenue Fund	(Up to \$260,140)	(Up to \$204,960)	(Up to \$204,960)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Children's Trust	(Up to \$213,500)	(Up to \$256,200)	(Up to \$256,200)
Endowed Care Cemetery Audit	(Up to \$42,708)	(Up to \$51,250)	(Up to \$51,250)
Missouri Public Health Services	(Up to \$42,273)	(Up to \$50,728)	(Up to \$50,728)
Total Estimated Net Effect on <u>Other</u> State Funds	(Up to \$298,481)	(Up to \$358,178)	(Up to \$358,178)

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
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$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	(Up to \$1,877,092)	(Up to \$2,252,510)	(Up to \$2,252,510)

FISCAL ANALYSIS

ASSUMPTION

§193.145 - Electronic Death Registration System

Officials from the **Department of Health and Senior Services (DHSS)** state Section 193.145.5 requires the electronic death registration system to automatically notify the physician in charge of the patient's care for the illness or condition which resulted in death using an electronic notification. This would require an enhancement to the existing electronic system to accommodate this notification. DHSS defers to the OA-ITSD to estimate the fiscal impact for information technology related costs for this proposed legislation.

Section 193.145.11 allows for the issuance of a provisional death certificate if a certificate of death is not filed within five business days after death. The electronic death registration system would require changes to integrate a provisional certificate format and process into the electronic death registration system and to give local registrars access to the electronic system. DHSS defers to the OA-ITSD to estimate the fiscal impact for information technology related costs for this proposed legislation.

DHSS estimates that the proposed legislation could result in a decrease of up to \$563,128 in revenue for the state by allowing a completed certificate of death to be obtained at no charge if a provisional certificate has been requested and issued. Section 193.265, RSMo sets the fee for a certified copy of a death record as \$13 for the first copy and \$10 for each additional copy requested at the same time. The state funds affected include the Children's Trust (\$5 per certificate) and could have a reduction of \$256,200; General Revenue (\$4 per certificate) could have a reduction of \$204,960; the Endowed Care Cemetery Audit Fund (\$1 per certificate) could have a reduction of \$51,240; and the Missouri Public Health Services Fund (MOPHS) (\$3 per certificate) could have a reduction of \$50,728.

Individuals may also obtain a certified copy of a death certificate at a local public health department. The cost is still the same; however, the revenue generated is retained by the local health agency for local public health purposes. This revenue is not considered state revenue and DHSS estimates that the local public health agencies could see a reduction in revenue of up to \$2,252,510 without authority to charge for the provisional death certificate and allowing persons to come back and obtain a copy of the completed certificate at no charge.

In 2013, approximately 366,000 copies of certified death certificates were issued. Local registrars issued approximately 306,000 and the state office issued approximately 60,000 copies. Approximately 70 percent or 256,200 (366,000 X 70 percent) copies of these death records were filed five days after the date of death and would have the potential for provisional copies of the death certificate; approximately 80 percent or 204,960 (256,200 X 80 percent) of those copies were issued by local registrars.

ASSUMPTION (continued)

Officials from the **Office of Administration (OA) - Information Technology Services Division (ITSD)** state enhancements to the current system would be needed. These enhancements would include functionality so that upon entry and completion of the personal data in the electronic death registration system, the system would automatically notify the physician in charge of the patient's care for the illness or condition which resulted in death using an electronic notification. Functionality is also required in the system to allow for the issuance of a provisional certificate of death if the certificate of death is not filed with the local registrar or state registrar within five business days of death.

Vendor services to design, develop, test and deploy electronic notification and issuance of provisional certificate of death functionality to the existing system will be needed at an estimated cost of \$50,000. The estimate for vendor services was determined based on previous estimates by the vendor and comparison of cost for like sized enhancements with the vendor. It is estimated that 1,040 hours will be needed in ITSD staff to provide business analysis, programming and support of the application during its development.

OA-ITSD estimates a one-time fiscal for this proposal of \$89,340 to the General Revenue Fund.

Officials from the **Office of State Courts Administrator**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **OA - General Services Division**, and the **Columbia/Boone County Department of Public Health and Human Services** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - OA-ITSD</u>			
Contract development and computer system enhancements	(\$89,340)	\$0	\$0
<u>Loss - DHSS</u>			
Reduction in death certificate revenue	<u>(Up to \$170,800)</u>	<u>(Up to \$204,960)</u>	<u>(Up to \$204,960)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u><u>(Up to \$260,140)</u></u>	<u><u>(Up to \$204,960)</u></u>	<u><u>(Up to \$204,960)</u></u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
CHILDREN'S TRUST FUND			
<u>Loss - DHSS</u>			
Reduction in death certificate revenue	<u>(Up to \$213,500)</u>	<u>(Up to \$256,200)</u>	<u>(Up to \$256,200)</u>
ESTIMATED NET EFFECT ON THE CHILDREN'S TRUST FUND	<u>(Up to \$213,500)</u>	<u>(Up to \$256,200)</u>	<u>(Up to \$256,200)</u>
ENDOWED CARE CEMETERY AUDIT FUND			
<u>Loss - DHSS</u>			
Reduction in death certificate revenue	<u>(Up to \$42,708)</u>	<u>(Up to \$51,250)</u>	<u>(Up to \$51,250)</u>
ESTIMATED NET EFFECT ON THE ENDOWED CARE CEMETERY FUND	<u>(Up to \$42,708)</u>	<u>(Up to \$51,250)</u>	<u>(Up to \$51,250)</u>
MISSOURI PUBLIC HEALTH SERVICES FUND (MOPHS)			
<u>Loss - DHSS</u>			
Reduction in death certificate revenue	<u>(Up to \$42,273)</u>	<u>(Up to \$50,728)</u>	<u>(Up to \$50,728)</u>
ESTIMATED NET EFFECT ON THE MISSOURI PUBLIC HEALTH SERVICES FUND	<u>(Up to \$42,273)</u>	<u>(Up to \$50,728)</u>	<u>(Up to \$50,728)</u>

FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

**LOCAL PUBLIC HEALTH
DEPARTMENTS**

Loss - Local Public Health Departments

Reduction in death certificate revenue

(Up to
\$1,877,092)

(Up to
\$2,252,510)

(Up to
\$2,252,510)

**ESTIMATED NET EFFECT ON
LOCAL PUBLIC HEALTH
DEPARTMENTS**

(Up to
\$1,877,092)

(Up to
\$2,252,510)

(Up to
\$2,252,510)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

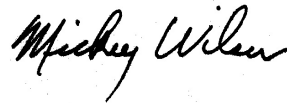
This proposal changes the laws regarding the electronic death registration system.

If a certificate of death is not filed with the local registrar or State Registrar within five business days after death, the State Registrar must upon request issue a provisional certificate of death. Upon filing of the certificate of death with the local registrar or State Registrar, the State Registrar must issue a certificate of death. After the certificate of death has been completed, any person who has obtained a provisional certificate of death may obtain a copy of the completed certificate of death at no charge.

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 State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Office of Administration -
 General Services Division
 Information Technology Services Division
Columbia/Boone County Department of Public
 Health and Human Services



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