

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0938-01
Bill No.: HB 437
Subject: Courts, Juvenile; Children and Minors; Children's Division; Drugs and Controlled Substances
Type: Original
Date: February 12, 2019

Bill Summary: This proposal requires the Children's Division to refer all cases in which a birth mother or infant test positive for illegal controlled substances after childbirth to the Juvenile Office.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$6,692,301 to \$16,801,326)	(\$8,507,761 to \$21,345,293)	(\$8,601,320 to \$21,574,024)
Total Estimated Net Effect on General Revenue	(\$6,692,301 to \$16,801,326)	(\$8,507,761 to \$21,345,293)	(\$8,601,320 to \$21,574,024)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal *	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses between \$7.5 million to more than \$18.7 million annually and net to \$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	55.25 to 139.1 FTE	55.25 to 139.1 FTE	55.25 to 139.1 FTE
Federal	29.75 to 74.9 FTE	29.75 to 74.9 FTE	29.75 to 74.9 FTE
Total Estimated Net Effect on FTE	85 to 214	85 to 214	85 to 214

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§210.115 - Children's Division to refer cases to Juvenile Office

Officials from the **Department of Social Services (DSS), Children's Division (CD), Division of Legal Services (DLS), Division of Youth Services (DYS) and MO HealthNet Division (MHD)** state this bill modifies §210.115, by adding subsection 9, which requires the CD to submit a referral to the juvenile office as soon as reasonably possible when any physician, resident, intern, nurse, hospital or clinical personnel, or other health care provider who is engaged in the examination, care, treatment, or research of persons becomes aware and reports to CD that a birth mother or child, within 8 hours after the child's birth, tested positive for a blood alcohol content of eight-hundredths of one percent or more by weight or tested positive for cocaine, heroin, methamphetamine, or a controlled substance (as defined in Section 195.010, RSMo.) or prescription drug (other than a controlled substance or prescription drug for which the birth mother or child has a valid prescription) and reports such diagnosis to CD. The Division shall submit a referral to the juvenile office as soon as reasonably possible. The referral shall include CD's recommendations to the juvenile office regarding the care, safety, and placement of the child and the reasons for such recommendations.

The report to CD by physician, resident, intern, nurse, hospital or clinical personnel, or other health care provider is still permissive. This bill specifies if it is reported because the child or mother tested positive to the listed substances within 8 hours from the child's birth, and if it is reported to CD, the Division is required to make a referral to the Juvenile Office which includes recommendations regarding care, safety and placement of the child and reasons for recommendations.

Currently it is assumed CD refers cases to the Juvenile Offices based on an assessment regarding care, safety and when there is a need for placement. This legislation would require CD to refer all drug exposed infants to the Juvenile Office.

This bill also gives the Juvenile Office discretion, regardless of CD's recommendations whether the Juvenile Office would take the child into custody.

Assumptions for Children's Division:

Increase of Children in Foster Care

In FY2018 there were 3,512 Newborn Crisis Assessments (NCA) with an indicator of drug exposed. There were 694 children which entered foster care after a NCA in FY2018. This leaves 2,818 NCAs (3,512 - 694) that did not result in a child being placed in foster care. If CD was required to refer all 3,512 families to the Juvenile Office with recommendations, there is a potential for more children to enter foster care or for additional family centered services cases to be opened.

ASSUMPTION (continued)

Currently, there are differences among Juvenile Courts regarding the removal of children where there is drug exposure. In some cases when there is drug exposure, the family may have the resources or resources may be put in place to mitigate safety concerns and keep children from being placed out of the home. The Juvenile Office may or may not be in agreement with CD's assessment or may feel the safety plan is not adequate and choose to place a child. CD assumes the Juvenile Offices across the state would opt to place from 30% to as many as 75% of the 2,818 infants identified through NCAs that currently do not result in a child being placed in foster care; this would result in an additional 845 (30% x 2,818) to 2,114 (75% x 2,818) children in care.

Staffing Needs for CD

Oversight notes based on discussions with CD officials that Alternative Care Cases (foster care) and Family-Centered Services (pre-foster care) cases are continuously on CD's "rolls" for almost 2 years (FY18 Alternative Care Cases averaged 21.7 months).

CD officials state the current ratio of Alternative Care Cases per Worker per month is 15; this would require a range from 56 (845/15) to 141 (2,114/15) additional Children Service Workers (CSW) staff needed for children entering foster care.

The current ratio of Family Centered Services (FCS) cases per worker per month is 20. This proposal would result in a range from 94 to 234 FCS cases opened (845 additional children entering foster care x 11.07% percentage of children under age 1 with opened FCS case after NCA to 2,114 additional children entering foster care x 11.07% percentage of children under age 1 with opened FCS case after NCA). These additional FCS cases would require an additional 5 (94/20 cases/worker) to 12 (234/20 cases/worker) CSW needed for FCS cases.

Given the above, there would be a need for a range of 61 (56+5) to 153 (141+12) CSW needed; a range of 12 to 30.5 Children Services Supervisors (one supervisor needed per every 5 CSW; $61/5 = 12$; $153/5 = 30.6$); and a range from 12 to 30.5 clerical staff (one clerical needed per every 5 CSW) to 30.5 (one clerical needed per every 5 CSW; $61/5 = 12$; $153/5 = 30.6$). The total range is from 85 to 214 additional staff if this proposal is implemented.

Oversight notes in a fiscal note for similar legislation from 2018 (HB 2175), CD's ratio of Children Services Supervisors/worker was 7:1 vs the current ration of 5:1. DSS officials state this was changed in their allocations in FY 2019 to meet the needs of the staff and workload in regards to Child Abuse and Neglect Reports.

ASSUMPTION (continued)

CD officials state there will be additional program costs as a result of Children entering Foster Care, including Children's Treatment Services (CTS), Foster Care (FC) and Residential Treatment (RTX) costs would be a range from \$5,484,709 to \$13,716,017.

	Original	12 mos	10 mos	Original	12 mos	10 mos
CTS	\$722,817	\$722,817	\$602,348	\$1,807,043	\$1,807,043	\$1,505,869
FC	\$2,970,924	\$2,970,924	\$2,475,770	\$7,427,310	\$7,427,310	\$6,189,425
RTX	<u>\$1,790,968</u>	<u>\$1,790,968</u>	<u>\$1,492,473</u>	<u>\$4,481,664</u>	<u>\$4,481,664</u>	<u>\$3,734,720</u>
	\$5,484,709	\$5,484,70	\$4,570,591	\$13,716,017	\$13,716,017	\$11,430,014

CD estimates this legislation would result in an additional 845 to 2,114 children in their care. As a result, MO HealthNet could see this same number enrolled as MO HealthNet participants. The number of participants added would be phased in over a twelve month period. The cost per member per month (PMPM) for this population would be \$454.98 which is the average capitated rate (\$202.82) and the associated carve out cost (\$252.16).

Total FY 2020 10 month cost would be \$1,751,673 (GR \$602,786; FED \$1,148,887) to \$4,404,206 (GR \$1,515,576; FED \$2,888,631). A 2.4% inflation factor was applied to the PMPM resulting in FY 2021 total cost of \$4,684,154 (GR \$1,611,911; FED \$3,072,243) to \$11,736,009 (GR \$4,038,595; FED \$7,697,414) and FY 2022 cost of \$4,837,602 (GR \$1,664,716; FED \$3,172,887) to \$12,102,594 (GR \$4,164,744; FED \$7,937,849).

Until the FY20 budget is finalized, the MHD cannot identify specific appropriations.

Oversight notes the approximate split between General Revenue and Federal Funds is 65%/35%.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DSS for fiscal note purposes.

Officials from the **Office of State Courts Administrator** state the proposed legislation may result in some fiscal impact but there is no way to quantify the amount at the current time. Any significant changes will be reflected in future budget requests.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for OSCA.

Oversight notes that the **Department of Health and Senior Services** and the **Cass Regional Medical Center** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Costs - DSS (\$210.115)</u>			
Personal service	(\$1,649,343 to \$4,151,245)	(\$1,999,003 to \$5,031,308)	(\$2,018,993 to \$5,081,621)
Fringe benefits	(\$986,552 to \$2,483,429)	(\$1,189,741 to \$2,994,909)	(\$1,195,678 to \$3,009,852)
Equipment and expense	(\$858,567 to \$2,161,568)	(\$593,042 to \$1,493,072)	(\$607,869 to \$1,530,398))
Additional CD program expenditures	(\$2,595,053 to \$6,489,508)	(\$3,114,064 to \$7,787,409)	(\$3,114,064 to \$7,787,409)
MHD program expenditures	(\$602,786 to \$1,515,576)	(\$1,611,911 to \$4,038,595)	(\$1,664,716 to \$4,164,744)
Total <u>Costs</u> - DSS	(\$6,692,301 to \$16,801,326)	(\$8,507,761 to \$21,345,293)	(\$8,601,320 to \$21,574,024)
FTE Change - DSS	55.25-139.1 FTE	55.25-139.1 FTE	55.25-139.1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$6,692,301 to \$16,801,326)</u>	<u>(\$8,507,761 to \$21,345,293)</u>	<u>(\$8,601,320 to \$21,574,024)</u>
Estimated Net FTE Change on the General Revenue Fund	55.25 to 139.1 FTE	55.25 to 139.1 FTE	55.25 to 139.1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
FEDERAL FUNDS			
<u>Income - DSS (\$210.115)</u>			
Increase in program reimbursements	\$5,006,058 to \$12,565,575	\$7,479,235 to \$18,751,793	\$7,601,823 to \$19,047,465
<u>Costs - DSS (\$210.115)</u>			
Personal service	(\$888,108 to \$2,235,286)	(\$1,076,386 to \$2,709,166)	(\$1,087,150 to \$2,736,258)
Fringe benefits	(\$531,220 to \$1,337,231)	(\$640,630 to \$1,612,644)	(\$643,827 to \$1,620,690)
Equipment and expense	(\$462,305 to \$1,163,921)	(\$319,331 to \$803,962)	(\$327,314 to \$824,061)
Additional CD program expenditures	(\$1,975,538 to \$4,940,506)	(\$2,370,645 to \$5,928,607)	(\$2,370,645 to \$5,928,607)
MHD program expenditures	<u>(\$1,148,887 to \$2,888,631)</u>	<u>(\$3,072,243 to \$7,697,414)</u>	<u>(\$3,172,887 to \$7,937,849)</u>
Total <u>Costs</u> - DSS	<u>(\$5,006,058 to \$12,565,575)</u>	<u>(\$7,479,235 to \$18,751,793)</u>	<u>(\$7,601,823 to \$19,047,465)</u>
FTE Change - DSS	29.75 to 74.9 FTE	29.75 to 74.9 FTE	29.75 to 74.9 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on Federal Funds	29.75 to 74.9 FTE	29.75 to 74.9 FTE	29.75 to 74.9 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill states that if a health care provider reports to the Children's Division of the Department of Social Services that a mother or child has tested positive for alcohol, controlled substances, or other specified drugs, within eight hours of the birth of the child, then the division must submit a referral to the Juvenile Office as soon as reasonably possible.

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 Health and Senior Services
Department of Social Services
Office of State Courts Administrator
Cass Regional Medical Center

Kyle Rieman
Director
February 12, 2019



Ross Strope
Assistant Director
February 12, 2019