

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3090-02  
Bill No.: HCS for HB 1316  
Subject: Military Affairs; Veterans; Law Enforcement Officers and Agencies; Attorney General; Medicaid/MO HealthNet; Teachers; Professional Registration and Licensing; Children and Minors  
Type: Original  
Date: April 28, 2020

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Bill Summary: This proposal modifies provisions and creates new programs relating to military families.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$1,238,904)	(\$294,034)	(\$173,276)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$1,238,904)</b>	<b>(\$294,034)</b>	<b>(\$173,276)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§27.115 - Legal counsel for military services members and their families**

Officials from the **Attorney General's Office (AGO)** assume that if §27.115 becomes law, the AGO will be mandated to create and oversee a program not currently required by state law. As a result, the AGO would require one (1) Assistant Attorney General (AAG) I at an annual salary of \$45,500 and one (1) Paralegal at an annual salary of \$42,000 along with necessary office equipment to administer the program.

Additionally, the legislation requires the AGO to market and publicize the program which the AGO assumes will create substantial costs for travel, lodging, and materials. Therefore, in addition to two (2) FTE, the AGO assumes additional costs in this area.

**Oversight** does not have any information contrary to that provided by AGO. Therefore, Oversight will reflect AGO's impact for fiscal note purposes.

#### **§§208.151 and 210.109 - Temporary suspension of MO HealthNet and Child protection/determination if perpetrator is a member of the military**

**Oversight notes we received a late fiscal impact response from Office of Administration - Information Technology Services Division - Department of Social Services regarding programming costs associated with this proposal. Therefore, the fiscal note has changed substantially from the original bill.**

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state this proposal requires changes to the Family Assistance Management Information System (FAMIS), MO HealthNet Division (MHD) systems, the Missouri Eligibility Determination and Enrollment System (MEDES).

It is assume that every new IT project/system will be bid out because all ITSD resources are at full capacity. The standard IT consultant contract rate is \$95 per hour.

Changes for FAMIS pertain to temporarily suspending MO HealthNet benefits and then reinstating them based on the participant residing within the state. FAMIS does have eligibility determination factors to verify if a participant requesting benefits resides within the State of Missouri and approves/rejects based on the current business rules. However, at this time, there is no way of identifying if a participant is part of the Armed Forces. This estimate includes system changes to gather this data through an existing screen change or including a new screen.

ASSUMPTION (continued)

The fiscal note also adds a provision for a member of the Armed Forces to continue his/her benefits even if they do not reside within the State of Missouri but is here temporarily for military duty. This, too, is a new functionality not available at this time. This involves changes to the eligibility determination process.

It is estimated these system changes will require 1,097.28 hours. Total one-time costs to the General Revenue Fund for these **FAMIS** changes are estimated at **\$104,242** (1,097.28 x \$95/hr).

Changes for MHD systems are required because 42 CFR 435.403 requires states to provide Medicaid coverage to eligible residents of the state including residents who are temporarily absent from the state. Developmental disability services are covered under the family categories of MO HealthNet and the Children's Health Insurance Program. Since coverage for these services continues while absent from the state, there is no benefit to suspending the coverage.

Section 208.151.7(2) requires eligibility for MO HealthNet developmental disability services for members of the Armed Forces or an immediate family member who are temporarily residing in Missouri and would otherwise be eligible for MO HealthNet developmental disability services. Eligibility for the Medicaid/MO HealthNet categories that typically include coverage for developmental disabilities is determined by the Missouri Eligibility Determination and Enrollment System (MEDES). These categories provide a wide range of coverage that encompasses more than developmental disability services. As a result, a new Medicaid Eligibility code will need to be created to limit the service package.

It is estimated the changes to **MHD systems** will require approximately 328.32 hours, costing a total of **\$31,190** (328.32 x \$95/hr).

Section 208.151.7(2) requires eligibility for MO HealthNet developmental disability services for members of the Armed Forces or an immediate family member who are temporarily residing in Missouri and would otherwise be eligible for MO HealthNet developmental disability services. Eligibility for the Medicaid/MO HealthNet categories that typically include coverage for developmental disabilities is determined by the Missouri Eligibility Determination and Enrollment System (MEDES). These categories provide a wide range of coverage that encompasses more than developmental disability services. As a result, a new Medicaid Eligibility code will need to be created to limit the service package.

System modifications to **MEDES, MO HealthNet Systems** and the **Missouri Medicaid Information System (MMIS)** will be required.

The eligibility determination will occur in MEDES. Modifications will be required to the residency requirement to allow eligibility for out-of-state residents temporarily staying in

ASSUMPTION (continued)

Missouri for military service. If eligible on all other existing factors, provide coverage under the new Medicaid Eligibility code. The DCN will be stored on an eligibility file to be processed by MO HealthNet systems.

MO HealthNet reads the DCN's on the eligibility file and queries MEDES, Youth Services, Family and Children Electronic System (FACES/child welfare) and the Family Assistance Management Information System to build the complete eligibility history for each DCN and transmits it to the MMIS. The history is the complete set of ME code segments with start and stop dates for each individual.

MMIS uses the history to process medical claims from health care providers. The new ME code ensures that only MO HealthNet developmental disability services are covered for this population.

MEDES is currently maintained under contract with Redmane, LLC. Contract #C2170849002 includes provisions for system changes via Project Assessment Quotations (PAQ's) and includes hourly rates for design, development and implementation services by resource type. Some of the modifications to MEDES that will be required in order to meet the provisions of 208.151.7(2) include:

1. Add two new evidences and outstanding verification (OV) items to Curam:
  - a. Armed Forces service status and length of stay;
  - b. Developmental disability.
2. Addition/modifications of Curam Intelligent Evidence Gathering (IEG) scripts to capture new information in the Citizen Portal and Worker Portal:
  - a. Follow residence question conditionally (when applicant indicates they are not a resident of Missouri) with questions about service status in Missouri and when the status is anticipated to change.
3. Modifications to Curam Express Rules:
  - a. Residency requirements changes;
  - b. Eligibility rules changes - maintain existing rules for the MO HealthNet programs with the exception of the residency requirement;
  - c. New Medicaid Eligibility (ME) code to provide eligibility for developmental disability services only.
4. ME Comparator changes:
  - a. The system does a Medicaid eligibility determination for the existing Medicaid and CHIP categories - if determined eligible, assign the new ME code that provides only the limited developmental disability services.

ASSUMPTION (continued)

5. Create new approval and closing reasons to be used for notice generation - notice to advise the applicant they are approved for MO HealthNet and provided coverage for developmental disability services only.
6. Notice changes.
7. Modify programming for Determination Summary Table (DST) to accommodate new ME code.
8. Create a new management report listing cases and individuals covered under this provision and a new management report listing cases and individuals that are still active but the current date is greater than the projected end date.

Costs for **MEDES**, **MO HealthNet Systems** and **MMIS** changes are estimated to be **\$858,900** for FY 2021 with on-going costs for FY 2022 estimated to be **\$122,700**. All costs will be to the General Revenue Fund.

Section 210.109 requires ITSD to modify the existing Family and Children's Electronic System (FACES) application including impact to the Background Screening (BSUI) and Foster Care Safety Registry (FCSR) components. The assumption is the development of the new system letter will be similar to the programming logic already utilized with other letters generated in the **FACES** application. It is assumed this will require 907.20 IT consultant hours at \$95/hour for a total one-time cost of **\$86,184** to the General Revenue Fund.

It is estimated the changes to **MEDES**, **MHD systems**, **MMIS** and **FACES** will cost **\$1,080,516** in FY 2021, with on going costs in FY 2022 of **\$122,700**.

Total all ITSD costs to the General Revenue Fund:

	2021	2022
FAMIS	\$104,242	\$0
MHD systems	\$31,190	\$0
MEDES, MHD systems and MMIS	\$858,900	\$122,700
FACES	\$86,184	\$0
Total	<u><b>\$1,080,516</b></u>	<u><b>\$122,700</b></u>

ASSUMPTION (continued)

Bill as a whole

**Oversight** notes the **Department of Elementary and Secondary Education**, the **Department of Mental Health**, the **Department of Public Safety - (Missouri State Highway Patrol, Missouri National Guard, and the Veterans' Commission)**, and the **Department of Social Services** have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - AGO (§27.115) To administer program for members of the military and their families			
Personal Service	(\$72,917)	(\$88,375)	(\$89,259)
Fringe Benefit	(\$43,416)	(\$52,389)	(\$52,683)
Equipment and Expense	(\$29,555)	(\$15,195)	(\$15,575)
Travel	(\$12,500)	(\$15,375)	(\$15,759)
<u>Total Cost</u> - AGO	<u>(\$158,388)</u>	<u>(\$171,334)</u>	<u>(\$173,276)</u>
FTE Change - AGO	2 FTE	2 FTE	2 FTE
<u>Costs</u> - OA, ITSD/DSS (§§208.151 and 210.109 - FAMIS, MHD systems, MEDES, MMIS and FACES updates			
	<u>(\$1,080,516)</u>	<u>(\$122,700)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$1,238,904)</u></b>	<b><u>(\$294,034)</u></b>	<b><u>(\$173,276)</u></b>
Estimated Net FTE Change for the General Revenue Fund	2 FTE	2 FTE	2 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></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 modifies provisions and creates new programs relating to military families.

#### LEGAL AID TO MILITARY AND FAMILIES

This bill requires the Attorney General to design, implement, and oversee a program to help military service members and their families find and retain affordable and qualified legal counsel in this state. The program will be marketed to attorneys, service members, and service members' families. The Attorney General will collaborate with the Missouri Bar in administering the program, and the program will publicize pro bono legal services available to military service members and their families (Section 27.115, RSMo).

#### TEACHER LICENSES

Currently, a spouse of a military service member is allowed a provisional teaching certificate if the applicant meets the current required criteria. This bill makes the provisional certificate valid for three years.

The bill requires that within 30 of receiving an application from a military spouse of an active duty member of the Armed Forces of the United States who has been transferred or is scheduled to be transferred to an adjacent state and is or will be domiciled in the state of Missouri, or has moved to the state of Missouri on a permanent change-of-station basis and has successfully completed the background check described in this bill, the state board must issue a full certificate of license to teach if the applicant has paid all necessary fees and has met all other requirements to be issued a certificate (Section 168.021).

#### MO HEALTHNET COVERAGE OF SERVICE MEMBERS' FAMILIES WITH DEVELOPMENTAL DISABILITIES

This bill extends MO Healthnet developmental disability services to military service members and their families stationed in Missouri that are not residents of this state, as long as they would otherwise be eligible. MO Healthnet developmental disability services to military service members and their families that are residents of this state, but temporarily reside out of the state, will have benefits temporarily suspended, but will be immediately restored upon returning to the state to reside (Section 208.151).



FISCAL DESCRIPTION (continued)

NOTIFICATION OF THE DEPARTMENT OF DEFENSE IN THE EVENT A MILITARY MEMBER IS A SUSPECT OF CHILD ABUSE OR NEGLECT

This bill requires the Children's Division within the Department of Social Services upon receipt of a report of child abuse to attempt to ascertain whether or not the suspected perpetrator is a member of the military, and the Children's Division must report its findings to the most relevant program authorized by the Department of Defense or the most relevant person authorized by the Department of Defense (Sections 210.109 and 210.150).

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

Attorney General's Office  
Department of Elementary and Secondary Education  
Department of Mental Health  
Department of Public Safety  
Department of Social Services  
Office of Administration - Information Technology Services Division/DSS



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