

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3874H.02C
 Bill No.: HCS for HB 1925
 Subject: Physicians; Department of Health and Senior Services; Health Care Professionals;
 Dentists; Mental Health; Health Care; Nurses
 Type: Original
 Date: April 3, 2024

Bill Summary: This proposal establishes a grant program for health care professionals working and residing in rural counties.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	(\$100,000)	(\$100,000)	(\$100,000)
Total Estimated Net Effect on General Revenue	(\$100,000)	(\$100,000)	(\$100,000)

*Oversight assumes the \$1,000,000 grant limit (\$191.620.7) would be spread out evenly over the ten years of the program (August 2024 – August 2034).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Rural Health Care Professional Grant Program*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Income and expenditures estimated to be \$100,000 annually net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§191.620 - Grant program for health care professionals working and residing in rural counties

Officials from the **Department of Health and Senior Services (DHSS)** state §191.620 of the proposed legislation would establish a Rural Health Care Professional Grant Program to provide grant awards to health care professionals (primary care physicians, dentists, registered nurses, psychiatrists, chiropractors) who begin providing services in a rural county after August 28, 2024 and who reside in such rural county. DHSS would be responsible for promulgating rules for program implementation and oversight and monitoring of the program.

Section 191.620.4 outlines the minimum requirements for the written contracts that DHSS enters into with the selected applicants. Subject to appropriation, DHSS would enter into a contract with the selected health professional applicants who would, in exchange for receiving a \$20,000 grant award annually for 5 years, agree to serve and reside in the rural county for a minimum of 5 years.

Section 191.620.7 states that the total amount of all grants awarded shall not exceed one million dollars, but it is unclear if that means annually or over the entire period from the enactment of the statute, August 28, 2024, through the expiration of August 28, 2034 as identified in section 191.620.10. Per legal counsel review, DCPH assumes the \$1,000,000 is awarded over the 10 years. The workload for administering the additional \$100,000 per year can be absorbed by current staff. However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Section 191.620.8 proposes the creation of the Rural Health Care Professional Grant Program Fund, which would consist of appropriations made by the General Assembly and will be used solely by DHSS to provide loans under this proposed §191.620.

Oversight notes this proposed legislation creates a new fund under the Rural Health Care Professional Grant Program. Subject to appropriation, DHSS shall establish a Rural Health Care Professional Grant Program to provide incentives to health care professionals to practice and reside in rural counties. DHSS shall award grants to eligible health care professionals on the basis of available funds. Oversight assumes monies in the new fund will be spent on services in the same fiscal year as they are appropriated, therefore, Oversight will reflect the DHSS/DCPH estimate of \$100,000 of income and expenditures will net to \$0 for fiscal note purposes.

Officials from the **Department of Commerce and Insurance**, the **Office of Administration - Budget and Planning** and the **Office of the State Treasurer** each assume the proposal will have no 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.

Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 with 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE FUND			
<u>Transfer Out – DHSS/DCPH (§191.620) To Rural Health Care Professional Grant Program Fund p. 3</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>
RURAL HEALTH CARE PROFESSIONAL GRANT PROGRAM FUND			
<u>Transfer In - DHSS (§191.620) From General Revenue Fund p. 3</u>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>
<u>Costs – DHSS (§191.620) Nonprofit Organizations/Crisis Care Programs p. 3</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>
ESTIMATED NET EFFECT ON THE RURAL HEALTH CARE PROFESSIONAL GRANT PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small health care businesses in rural counties could be impacted by this proposal.

FISCAL DESCRIPTION

Subject to appropriation, the DHSS shall establish a rural health care professional grant program to provide incentives to health care professionals to practice and reside in rural counties. The

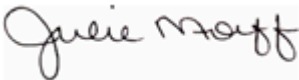
department shall award grants to eligible health care professionals on the basis of available funds.

The "Rural Health Care Professional Grant Program Fund" will be created in the state treasury. The fund shall consist of moneys appropriated to it by the general assembly. The state treasurer shall be custodian of the fund. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely for awarding grants and administering the program. (§191.620)

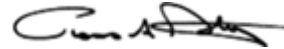
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Budget and Planning
Department of Commerce and Insurance
Department of Health and Senior Services
Joint Committee on Administrative Rules
Office of the Secretary of State
Office of the State Treasurer



Julie Morff
Director
April 3, 2024



Ross Strope
Assistant Director
April 3, 2024