

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0275-01
Bill No.: SB 117
Subject: Health Care; Health and Senior Services Department; Health, Public; Hospitals; Nursing Homes and Long-term Care Facilities
Type: Original
Date: December 16, 2016

Bill Summary: This proposal requires employees and volunteers of specified public and private institutions to receive an influenza vaccination every year.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

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 2018	FY 2019	FY 2020
Local Government	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

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

Section 192.075 - Influenza Vaccinations

The proposed language would require the Division of Regulation and Licensure (DRL) to review personnel files of employees and volunteers at inspected facilities for proof of flu vaccination. DRL assumes that the current sampling of personnel files would be used for the purposes of this legislation, and would be incorporated into the current inspection.

Any inspected facility not in compliance with the provisions of this section shall be reinspected at an undisclosed time within three months of the initial inspection. If at the time of reinspection the inspected facility is again deemed not in compliance with the provisions of this section, the inspected facility will be charged a fine of fifty dollars per full-time employee of the facility.

The proposed language does not identify where the amounts collected from the fines will be deposited. For fiscal note computation purposes, the DHSS assumes any revenues will be deposited in the General Revenue Fund. The number of facilities found to be non-compliant after a second inspection and the number of full-time employees in these facilities is unknown. Therefore, the total dollar amount of fines is considered to have an unknown minimal positive impact on the General Revenue Fund.

Oversight notes provisions in section 192.075.5 provide that fine revenue will be applied to the costs of the inspections and flu prevention education. Oversight assumes fine revenue will be deposited into the General Revenue Fund. However, since DHSS assumes fine revenue will be minimal, Oversight is not reflecting this unknown, minimal revenue for fiscal note purposes.

Officials from the **Bates County Memorial Hospital** state the annual cost of administering a mandatory program to require hospital employees and volunteers to receive flu vaccinations is approximately \$7,830 annually. This estimate includes the cost of the flu vaccine ($\$15.50 \times 300$ employees/volunteers = \$4,650) plus high dose vaccine cost for those age 65 and older ($\$37.50 \times 40$ employees/volunteers = \$1,500) plus an estimated cost of time for administration and documentation of the vaccine (10 minutes per employee/volunteer = 56 hours \times \$30/hr labor = \$1,680).

Oversight notes there are 30 hospitals in the state of Missouri that are owned by local political subdivisions. This legislation will impact those hospitals. If half of the hospitals (15) have the same number of employees and volunteers as Bates County Memorial Hospital and incurs the

ASSUMPTION (continued)

same cost for vaccine/materials and labor to administer the injections, the annual cost of this proposal would be \$117,450. For fiscal note purposes, **Oversight** assumes an unknown fiscal impact greater than \$100,000 annually for the local political subdivisions that operate these hospitals.

Officials from the **Cass Regional Medical Center** states Cass Regional already has a policy within the organization that mandates flu shots for employees and volunteers. Cass Regional does have declination abilities which are on file and if declining, a masking requirement within six feet of the patient is required. This is already a practice that has been adopted by hospitals in the state. As a result, Cass Regional officials do not believe this proposal will have a fiscal impact on their organization.

Officials from the **Department of Social Services, Children's Division, Division of Legal Services** and **MO HealthNet Division**, the **Joint Committee on Administrative Rules** and the **University of Missouri** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Secretary of State (SOS)** did not respond to **Oversight's** request for a statement of fiscal impact. However, in response to previous year's legislation containing similar rules language, the SOS provided the following response:

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 \$2,500. 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 the 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the following **hospitals**: Barton County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Hospital, Golden Valley Memorial Hospital, Hermann Area District Hospital, Samaritan Hospital, Putnam County Memorial Hospital and Washington County Memorial Hospital did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**LOCAL POLITICAL SUBDIVISIONS
 - HOSPITALS**

Costs - Hospitals (\$192.075)

Influenza vaccinations for employees and volunteers	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS
 - HOSPITALS**

<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
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FISCAL IMPACT - Small Business

Small business health care providers that are inspected by the Department of Health and Senior Services may be impacted if their employees and volunteers do not get flu vaccinations. In addition, these providers may experience increased administrative costs to track and document whether employees/volunteers have received their vaccinations.

FISCAL DESCRIPTION

This proposal requires that all employees and volunteers of certain inspected health care facilities receive an influenza vaccination every year, three months prior to the flu season. Employees or volunteers beginning work during the flu season shall be vaccinated within two weeks of commencing work. The Department of Health and Senior Services shall not be required to pay for these vaccinations. Exemptions may be granted in specified situations.

FISCAL DESCRIPTION (continued)

The Department may conduct vaccination inspections during any other inspection of the facility. Inspected facilities not in compliance will have an opportunity to be reinspected within three months of the initial inspection. Failure to comply at that time will result in a fine which shall be applied to the costs of inspections and flu prevention education.

The provisions of this proposal shall be terminated on August 28, 2023, unless reauthorized.

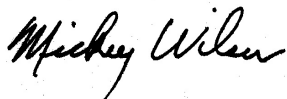
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services -
 Children's Division
 Division of Legal Services
 MO HealthNet Division
Joint Committee on Administrative Rules
University of Missouri
Bates County Memorial Hospital
Cass Regional Medical Center

NOT RESPONDING

Office of Secretary of State



Mickey Wilson, CPA
Director
December 16, 2016

Ross Strobe
Assistant Director
December 16, 2016