COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4231-06
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HCS for HB 1682
Subject: Drugs and Controlled Substances; Education, Elementary and Secondary; Elementary and Secondary Education Department; Health Care; Health, Public; Health and Senior Services Department; Insurance - Health; Health Care Professionals; Tobacco Products
Type: Original
Date: June 19, 2020

Bill Summary: This proposal modifies provisions relating to health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	Could exceed ($2,412,548)	Could exceed ($7,619,559)	Could exceed ($7,745,670)
Total Estimated Net Effect on General Revenue	**Could exceed ($2,412,548)**	**Could exceed ($7,619,559)**	**Could exceed ($7,745,670)**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 43 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
MO Vet Health and Care Fund (0606)	($88,000)	($12,000 to $190,076)	($12,000 to $177,125)
Criminal Record System (0671)	$76,560	$43,472 to $85,800	$43,472 to $85,800
Colleges and Universities	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
Epinephrine Auto-Injector Devices For Fire Personnel Fund	$0	$0	$0
Opioid Addiction Treatment and Recovery Fund[1] *	$0	$0	$0
Total Estimated Net Effect on Other State Funds	**Could exceed ($11,440)**	**Could exceed ($104,276)**	**Could exceed ($91,325)**

* indicates net to zero

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Federal[2]	$0	$0	$0
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

[1] Any proceeds from a global opioid-related settlement is assumed to be spent for opioid addiction treatment and services, health care, and law enforcement within the same fiscal year.

[2] Income, savings, costs and losses could exceed $92,000,000 annually and net to $0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	0.75	0.75	0.75
Federal Funds	Unknown	Unknown	0.5
Vet Health and Care	0 FTE	0 to 2 FTE	0 to 2 FTE
Total Estimated Net Effect on FTE	**Could exceed .75 FTE**	**Could exceed 2.75 FTE**	**1.25 to 3.25 FTE**

☒ 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 2021	FY 2022	FY 2023
Local Government	**Unknown to (Unknown)**	**Unknown to (Unknown)**	**Unknown to (Unknown)**

FISCAL ANALYSIS

ASSUMPTION

State officials from the **Department of Corrections,** the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, **Department of Economic Development**, the **Department of Higher Education and Workforce Development**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health,** the **Department of Natural Resources**, the **Department of Public Safety - Director's Office and Fire Safety**, **Joint Committee on Administrative Rules**, **Kansas City Election Board,** the **Missouri Consolidated Healthcare Plan**, **Missouri Department of Conservation**, **Office of the Attorney General**, **Office of the State Courts Administrator**, **State Treasurer**, and the **St. Louis County Department of Justice Services** state this proposal has no fiscal impact.

In response to a previous version, the **Office of Prosecution Services** and **Springfield Police Department** each stated this proposal has no fiscal impact to their respective agencies.

§§ 9.152, 9.166, and 9.182 - Health awareness month designations

Oversight notes no responding agency assigned a cost for this section, and the note will show a zero impact.

§ 190.092 and § 190.1005 - Automated External Defibrillators

Officials from the **Office of Administration** assumed this would have no fiscal impact on their organization.

Oversight has no contrary information contrary, and will reflect no fiscal impact for OA.

Officials from the **St. Louis County Police Department (St. Louis County PD)** stated they have approximately 38 Automated External Defibrillators (AEDs) that would need to be tested on the 90-day schedule. Each test/inspection would take approximately 15 minutes. The total testing time would be 9.5 hours (38 AEDs * 15 minutes/60 minutes per hour = 9.5 hours). Additionally, the testing would have to be done every quarter (12 months/4 = every 3 months or approximately 90 days) to stay within the time-line of the proposal. This increases the testing time to 38 hours (9.5 hours * 4 quarters = 38 hours).

ASSUMPTION (continued)

Because the locations of the AED vary across St. Louis County boundaries, drive time would be a significant addition to the cost of the tests. Drive time to each AED device is difficult to estimate due to varying time-lines.

The St. Louis County PD would have to devote a minimum of 40 hours a year, or 120 hours every three years, to test the AEDs. Basing the salary on a Professional Staff of 110, the average hourly wage with fringe benefits is $31.82 per hour. The estimated total cost per year is $1,273 per year ($3,818 for the three years of the fiscal note) to the St. Louis County PD.

In response to SB 692, officials from the **Cooper County Public Health Center** stated this proposal would cost their county health center $1,500 annually.

In response to similar provisions from the current session (HB 1460), officials from the **City of Riverside** assumed no/minimal fiscal impact as a result of this legislation.

Oversight does not have any information to the contrary for local government costs for this proposal. For fiscal note purposes, Oversight will reflect the costs for all local governments as (Unknown).

In response to SB 692, officials from the **University of Missouri Health Care (UMHC)** stated they have reviewed the proposed legislation and determined that, as written, it should not create expenses in excess of $100,000 annually.

Based on the responses **Oversight** received from the UMHC and other Colleges and Universities, Oversight assumes a range of $0 or (Unknown) for Colleges and Universities.

ASSUMPTION (continued)

§§ 190.094, 190.105, 190.143 and 190.196 Physician Assistants Staff

Oversight notes officials at the **Department of Health and Senior Services**, the **Department of Commerce and Insurance** and the **Department of Labor and Industrial Relations** each assumed no fiscal impact to their respective agencies.

In response to a similar proposed section, SB 866 (2020), officials at the **University of Missouri Health Care** assumed no fiscal impact.

Oversight notes these sections' permit physician assistants to serve as staff on ambulances and exempts them from any mileage limitations in any collaborative practice arrangements when attending a patient on an ambulance. The Department of Health and Senior Services, the Department of Commerce and Insurance, the Department of Labor and Industrial Relations and the University of Missouri Health Care 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 on the fiscal note for these sections.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other ambulance districts and hospitals were requested to respond to this proposed legislation, but did not. A general listing of political subdivisions included in our database is available upon request.

§190.606 and 190.612 Outside the Hospital Do-Not-Resuscitate Orders from Other States

Oversight notes the **Department of Health and Senior Services**, **St. Louis County Department of Justice Services** and **Springfield Police Department** stated the section would have no direct fiscal impact on their organization. Oversight has no conflicting information, and will reflect a zero impact in the fiscal note for these organizations.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other ambulance districts, fire departments', sheriffs' offices and police departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

ASSUMPTION (continued)

§ 191.775 - Vapor Products in Schools

Officials at the **Department of Elementary and Secondary Education** assumed this section has no direct fiscal impact on their agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight assumes that school district policies already bar the use of vapor products on campus. Oversight notes the Kansas City Public School District, Columbia Public School District and Springfield Public School student codes of conduct already bar this behavior.

Because of a lack of contrary information, this note has a $0 net direct fiscal impact for this section.

§191.1146 - Physician certifications prior to providing treatment when using telemedicine

The **Department of Commerce and Insurance** has stated this section would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

§ 192.2305 - State Ombudsman in Veterans Homes

No responding agency assigned a cost to this section. **Oversight** does not have any information to the contrary, and will reflect a zero impact in the fiscal note for this section.

§ 195.070 - Delivery of Controlled Substances by Non-Physicians

Officials at the **Department of Health and Senior Services** stated the proposed legislation modifies provisions relating to the administration of certain controlled substances by allowing practitioners to administer a controlled substance when it is delivered to the practitioner to administer to the patient for whom the medication is prescribed. The Division of Regulation and Licensure, Section for Health Standards and Licensure, Bureau of Narcotics and Dangerous

ASSUMPTION (continued)

Drugs (BNDD) is responsible for the regulation of controlled substances. The proposed legislation would require amending current rules and regulations.

It is assumed it will take a Health and Senior Services Manager (salary $68,802) approximately 16 hours to make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties (16 hours ÷ 2,080 hours per year = 0.01) for a total personal service cost of $688 ($68,802 X 0.01).

The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Oversight assumes the DHSS has sufficient staff and resources available to absorb the minimal cost associated with implementing this proposal and will reflect no impact as provided by the DHSS for fiscal note purposes.

The **Department of Commerce and Insurance** stated the proposal would not have a direct fiscal impact on that organization. Oversight has no contrary information, and will reflect a zero impact in the fiscal note for this section.

§195.417 and 579.060 - Prescriptions for Pseudoephedrine and Related Drugs

Oversight notes no responding agency assigned a fiscal impact to this section Oversight has no contrary information, and this note will show no fiscal impact for these sections.

§§ 195.805, 195.815 - Marijuana-Infused Edibles; Medical Marijuana Background Checks

§195.805 - No marketing of medical marijuana products that appeal to persons under 18 years of age

Officials from the **Department of Health and Senior Services (DHSS)** stated §195.805.1 and .2 prohibits edible marijuana-infused products sold in Missouri to be designed, produced, or marketed in a manner that is designed to appeal to persons under 18 years of age. It provides for enforcement actions on the part of the DHSS. The department expects to absorb these costs in the normal ebb and flow of its operations. However, until the FY21 budget is final, the department cannot identify specific funding sources.

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Oversight assumes the DHSS has sufficient staff and resources to perform the additional work required by this proposal and will reflect no fiscal impact for the DHSS for §195.805.1 and .2.

Oversight notes no responding agency assigned a fiscal impact for provisions of §195.805.2, which provides for departmental sanctions, including administrative penalties, for any licensed or certified entity regulated by the Department of Health and Senior Services that designs, produces, or markets medical marijuana products that would appeal to persons under eighteen years of age. Administrative penalties are distributed to school districts based on the location of the entity receiving the penalty. It is unknown whether penalties will be imposed or how much in penalties may be distributed to school districts.

Oversight notes that the distribution implies a positive net fiscal impact to schools, and will show penalties to school districts as $0 to Unknown.

DHSS stated §195.805.4 requires the DRL, Section for Medical Marijuana Regulation (SMMR) to promulgate new rules and regulations regarding edible marijuana-infused products as well as promulgate rules and regulations to establish a process by which a licensed or certified entity may seek approval of an edible product design, package, or label prior to the product's manufacture or sale.

This will require SMMR to establish a process by which a medical marijuana facility may seek pre-approval for its edible product design, package, or label. It is unknown the number of pre-approval requests that will be required from facilities. Research of other states indicates the volume of pre-approval requests is highly unpredictable; however, the volume is enough to require additional staff. Therefore, the number of staff needed is unknown up to two additional Health Program Representative II (salary of $40,000) to provide public assistance and processing of applications for pre-approval who would be hired in July 2021.

In addition, the Medical Marijuana program has a contract for Information Technology (IT) systems in place for processing applications and tracking program activities. It is assumed a similar contract for processing facility preapproval product and packaging design applications and enhancements will be required for the activities under this legislation at a cost of $88,000 for FY2021 and $12,000 each year thereafter. DHSS anticipates costs to the Missouri Veterans Health and Care Fund of $88,000 for FY 2021; $12,000 to $95,038 for FY 2022; and $12,000 to $88,564 for FY 2023.

ASSUMPTION (continued)

Oversight notes DHSS assumes it will need a total of 0 to 2 new FTE as a result of the provisions of this proposal. Oversight assumes the additional FTE can be housed within current DHSS locations. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in the DHSS needing additional rental space.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a range for the costs provided by DHSS, less rental space costs, for fiscal note purposes.

§195.815 - Medical marijuana industry background checks

Officials from the **Department of Public Safety (DPS), Missouri State Highway Patrol (MHP)** state the Missouri Department of Health and Senior Services (DHSS) notes there are 348 medical marijuana "facilities" and assumes each facility will request background checks on 10 employees. DHSS has the ability to conduct the state fingerprint portion of the employee background check requirement pursuant to the Missouri Constitution Article XIV. This legislation, if enacted and approved by the Federal Bureau of Investigation (FBI) Criminal Justice Information Law Unit (CJILU), would authorize the federal fingerprint portion of the employee background check requirement. With the estimation of 348 facilities conducting background checks on 10 employees, it is assumed that $6,960 will be deposited into the Criminal Record System Fund which includes a $2.00 FBI fee (CJISD retains $2.00 of the FBI fee).

348 medical marijuana facilities x 10 employees per facility = 3,480 employees

3,480 employees x $2.00 CJISD retains from FBI fee = $6,960

The state fee for a fingerprint based criminal record check is $20.00 per request. The federal fee for a fingerprint based criminal record check is $13.25 per request, of which, the CJIS Division retains $2.00. This equates to $22 of the total state and federal fingerprint background check fee that is retained in the Criminal Record System Fund per request.

State and Federal Fingerprint Fee Schedule
State Fee = $20.00
Federal Fee = $13.25
Total State and Federal fee = $33.25
Vendor Fee (if applicable) = $8.50
Total State and Federal with Vendor fee = $41.75
Total Retained in the Criminal Record System (CRS) Fund = $22.00

ASSUMPTION (continued)

Oversight obtained additional information from the Department of Health and Senior Services (DHSS) regarding the number of background checks that could be required as a result of this legislation. DHSS notes there are 348 medical marijuana "facilities" and assumes each facility will request background checks on 10 employees. Therefore, Oversight assumes $76,560 (348 facilities x 10 employees x $22/background check) will be deposited into the Criminal Record System Fund for FY 21.

Based on DHSS' analysis, it is expected the DHSS will receive 38 to 75 background check requests per week once the industry is up and running. Therefore, for fiscal note purposes, **Oversight** will present an impact to the Criminal Records System Fund of $43,472 (38 checks/week x 52 weeks x $22 fee retained in CRS Fund) to $85,800 (75 checks/week x 52 weeks x $22 fee retained in CRS Fund) for FY 22 and FY 23.

The **Department of Health and Senior Services** stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact for this organization for this section.

§ 196.1050 - Opioid Lawsuit Settlement

Oversight notes no responding agency assigned a cost for this section, and the note will show a zero impact.

Oversight will show an unknown amount of potential settlement proceeds being received into the Opioid Addiction Treatment and Recovery Fund and said proceeds being spent on various expenses related to Opioid addition.

§ 205.202 - Dissolution of a hospital district and distribution of sales tax revenue

Officials from the **Department of Revenue (DOR)** stated this section would have no fiscal impact on their organization.

The section clarifies what happens upon dissolution of a hospital district that was levying a sales tax. The sales tax is to be distributed 25% to the county public health center and 75% to the federally qualified health center.

The Ripley County Hospital has dissolved, and sales tax assessments stopped being collected on September 30, 2019. Below are the collection amounts for the last three (3) months of the 2019 tax year:

ASSUMPTION (continued)

- December, 2019 - $1,390.46
- November, 2019 - $41,356.91
- October, 2019 - $43,768.33

DOR distributes the sales tax money collected as the department receives it. There are currently no taxes to distribute, but the distribution account will remain open if DOR receives money for this district and any money will be distributed to the account information on file.

Oversight notes the provisions of this section apply to Ripley County. Oversight also notes the Ripley County Memorial Hospital closed in October 2018, leading to the question of what to do with the sales tax proceeds that have been collected under Section 205.202. Ripley County officials did not respond to Oversight's request for a statement of fiscal impact. Therefore, Oversight assumes the section will have no net fiscal impact to entities within Ripley County and any sales tax funds collected for the hospital district will be distributed 25% to the Ripley County Public Health Center and 75% to Big Springs Medical Association/Missouri Highlands Health Care, the federally qualified health center (FQHC). Oversight will reflect this final distribution occurring in FY 2021, and netting to zero. Oversight does not know what sales tax proceeds will be available for this distribution, and will assume unknown amounts to the various entities.

Department of Health and Senior Services and the **Department of Social Services** stated the section 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.

§§ 208.909, 208.918, 208.924, and 208.935 - Consumer Directed Services

§208.909 - Consumers' responsibilities; vendors responsible for monitoring

Oversight notes the **Department of Health and Senior Services** and **Department of Social Services** assigned no cost to this provision.

Oversight has no contrary information, and will reflect the no fiscal impact assumed by DHSS for this section for fiscal note purposes.

§208.918 - Development of interactive assessment tool

Officials from the **Department of Social Services (DSS)** interpret this to mean that DHSS would promulgate a rule to define the elements and frequency of the consumer-directed division

ASSUMPTION (continued)

provider certification manager course, and the Department of Social Services (DSS) Missouri Medicaid Audit and Compliance (MMAC) would maintain responsibility for provisions of the course and administering the exam. This would be similar to the current certified manager course required of agency model in-home services providers and would follow the delineation of authorities granted through executive order to MMAC, specifically related to the responsibilities of provider education and oversight. Although this section does not explicitly state that MMAC will complete the verification outlined in 208.918.2(5), audit and compliance functions associated with Home and Community Based Services (HCBS) Medicaid providers in the state of Missouri are the responsibility of MMAC. Therefore, DHSS assumes that MMAC will verify compliance with 208.918.2(5).

In response to a similar proposal from this year, officials from the **Department of Social Services (DSS)** noted §208.918 states "(a) the department of health and senior services shall promulgate by rule a consumer-directed services division provider certification manager course"; There are currently more than 850 enrolled CDS providers that will need to complete the certified manager training. Some of the CDS providers will request that more than one staff member also complete the certified manager training due to the size of their agency or because they have satellite offices around the state. There are approximately 150 CDS enrollment applications in progress at any given time. The Missouri Medicaid Audit Compliance Unit (MMAC) estimates they will have a minimum of 1,000 to 1,200 providers who will need to complete the certified manager training course. MMAC will need one (l) new FTE, a Medicaid Specialist ($47,079 annually), to help the providers complete the training. The new Medicaid Specialist would be responsible for developing the CDS certified manager training course, administration of the tests to pass the course, and for maintaining a registry of providers that have completed and passed the course. The Medicaid Specialist would also be responsible for updating Missouri Medicaid Provider Enrollment files with the CDS certified manager training information.

Oversight notes DSS assumes it will need a total of 1 FTE at $47,079 annually plus equipment and expense (50% GR; 50% Federal) as a result of the provisions of this proposal. Based on discussions with DSS officials, it is assumed the additional FTE can be housed within current DSS locations. Therefore, Oversight is using a recalculated amount adjusted for rent, utilities, and janitorial services. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in DSS needing additional rental space.

ASSUMPTION (continued)

§208.924 - Circumstances when a consumer's services may be discontinued

DHSS interprets the language in this section to give the department authority to terminate consumer-directed services in the outlined circumstances, in addition to those already listed in (1) - (6). DHSS would develop guidance for staff related to this additional circumstance leading to the closure of services. This will not result in a fiscal impact.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by DHSS for this section for fiscal note purposes.

§208.935 - Mobile assessments and development of interactive assessment tool

DHSS officials state HCBS assessor staff conduct initial assessments to determine nursing home level of care (LOC) eligibility for services. In addition, assessors conduct annual reassessments on current participants to ensure continued eligibility for HCBS and aid in care plan changes. Currently, the assessments and reassessments are completed in the participant's home using a 13-page paper copy form which is manually filled out by DSDS staff and then manually entered into the CyberAccess WebTool, resulting in a duplication of efforts. It is estimated DSDS assessor staff spends one hour of time for the manual data entry of initial assessments, as well as one hour of time for the manual data entry of annual reassessments in the WebTool. Based on FY 2018 data, the manual data entry results in 38,002 hours of staff time per year (18,170 initial assessments + 19,832 annual reassessment = 38,002 x 1 hour of time = 38,002 hours). Staff time will be reinvested in a variety of ways to improve integrity of the program, including: implementation of a certified assessor process which requires more stringent training guidelines and quality assurance for assessors to ensure quality and accuracy in HCBS assessments; and completion of additional annual reassessments in person. (Currently, reassessments may be completed via telephone when workload exceeds staff capacity.)

§208.935 would allow for the development of a mobile application to conduct both initial HCBS assessments as well as annual reassessments. This would equip assessor staff with tablets that could be preloaded each morning with assessments to be completed using a touch screen application rather than a hard paper copy. Staff could then upload or sync those assessments to the CyberAccess WebTool using a secure Wi-Fi connection or "docked" at the office at the end of the day, thereby eliminating the need to manually enter the information at a desktop.

Eliminating the hard paper copy would also lead to cost savings in the amount of paper and toner used annually. The current hard paper copy assessment tool is 13 pages - seven pages front and back, resulting in 266,014 pieces of paper annually, or 532 reams (7 pages x 38,002 assessments

ASSUMPTION (continued)

= 266,014; 266,014 pieces of paper / 500 pieces of paper per ream = 532 reams). At a cost of $2.77 per ream the total savings for paper per year would be $1,474 (532 x $2.77 = $1,474). It is estimated one toner cartridge can print 35,000 pieces of paper. The reduction in hard paper copies would also lead to $1,314 in toner savings per year (266,014 pieces of paper / 35,000 pieces of paper per toner cartridge = 7.6 less cartridges used; 7.6 x $172.90 cost per cartridge = $1,314 savings - GR 50% / Fed 50%). Total cost savings per year are estimated to be $2,788 ($1,474 + $1,314 - GR 50% / Fed 50%). (Savings for FY 2021 will be $2,322 for 10 months.)

One-time development costs by the current CyberAccess contractor, Conduent, for the mobile assessment application are estimated to be $500,000 (GR 10% / Fed 90%), which would occur in SFY 2021, and annual maintenance fees of $179,831 in SFY 2022 (GR 25% / Fed 75%), and $105,717 is SFY 2023 (GR 25% / Fed 75%). In addition, an initial investment of approximately $50,750 will be required for the purchase of 125 tablets/iPads with related accessories (as quoted to us by ITSD vendor as of 1/18/19) with an anticipated replacement cycle of every three years (GR 50% / Fed 50%).

FY 2021 fiscal impact: $548,428 ($74,214 GR; $474,214 Fed);
FY 2022 fiscal impact: $177,043 ($43,564 GR; $133,479 Fed); and,
FY 2023 fiscal impact: $102,929 ($25,035 GR; $77,894 Fed).

Oversight has no contrary information, and will show fiscal note costs provided by DHSS.

§ 321.621, § 196.990 - Distribution of Epi-Pens to Fire Protection Districts -

Officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation provides for the distribution of epinephrine adult auto-injector devices to fire protection districts, as long as the director is a physician. If the Director is not a physician, this section will require the department to employ or contract with a physician to issue the statewide order, and that may cost $0 to (unknown).

This will require promulgation of new rules and ordering supplies for the program. DHSS assumes it will take a Health and Senior Services Manager (salary $68,802) approximately 40 hours to make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.02 FTE to assume these duties (40 hours ÷ 2,080 hours per year = 0.02) for a total personal service cost of $1,376 ($68,802 X 0.02) in FY 2021. The department anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

ASSUMPTION (continued)

According the State Fire Marshall's Office, there are 200 fire protection districts in Missouri that would qualify to receive the injectors. It is estimated that each district would require two injectors annually, totaling 400 injectors annually. They are sold in packages of 2 for $600. The annual cost of Epi auto-injectors will be approximately $120,000.

Ordering supplies are within the normal duties for the Divisions of Regulation and Licensure's Financial Support Services Unit. It is assumed it will take an Executive I (salary $36,050) approximately 100 hours to process injector orders (0.5 minutes per order x 200 fire protection districts = 100 hours). Based on 2,080 working hours per year, this would require 0.05 FTE to assume these duties (100 hours ÷ 2,080 hours per year = 0.05) for a total personal service cost of $1,803 ($36,050 x 0.05).

The department anticipates being able to absorb these costs. However, until the FY 2021 budget is final, the department cannot identify specific funding sources.

According the State Fire Marshall's Office, there are 200 fire protection districts in Missouri which would qualify to receive the injectors. It is estimated that each district would require two injectors annually, totaling 400 injectors annually. They are sold in packages of 2 for approximately $600. The cost of 400 injectors (200 packages) will be $120,000 in FY 2021, $123,000 in FY 2022 and $126,075 in FY 2023.

It is assumed the auto-injectors would be directly shipped from the manufacturer to the fire protection districts. Shipping cost is assumed to be five percent of product cost, or $30 per package ($599.99 x 0.05 = $30) for a total shipping cost of $6,000.

The bill further establishes the "Epinephrine Auto-Injector Devises for Fire Personnel Fund" for the purpose of providing epinephrine auto-injector devises for patients to qualified first responders. This fund is subject to appropriation.

In response to SB 617, DHSS showed $6,000 in FY 2021, $6,150 in FY 2022 and $6,304 in FY 2023.

Oversight notes this provision states the director may issue a statewide standing order; therefore, Oversight will range the impact from $0 to a transfer out from General Revenue as reflected by DHSS to the Epinephrine Auto-Injector Devices for Fire Personnel Fund.

Oversight will assume the new fund will receive an appropriation from the General Revenue Fund and therefore, net to zero.

ASSUMPTION (continued)

The **Department of Public Safety - Fire Safety (FS)** stated the section would have no direct fiscal impact on their organization. Oversight has no contrary information, and will show a zero impact on the fiscal note for this agency.

Oversight contacted FS to determine if fire protection districts in non-metropolitan areas of Missouri currently have epi-pens they can administer, if needed. Fire Safety officials indicated they conducted a study on the budgetary impact of the purchase, use of, and training for Epinephrine Auto-Injector Pens. This study was only conducted in non-metro areas of the state (per U.S. Census data) and only for Fire Protection Districts (per DFS FD Registration Data).

Thirty-seven departments out of 168 non-metro fire departments registered in 2019 responded as follows:

One department carries or uses epi-pens on response vehicles; 36 do not. For the department that carries epi-pens, only one injector is available for the whole department but none have been used on an annual basis. The cost of the injector was $300 and the annual training cost is $1,000.

Of the 36 departments that do not have injectors, 16 state that funding is the reason they do not carry the injectors, and 20 state that funding was not a factor in their decision to not carry injectors.

Oversight assumes that if the DHSS provides epi-pens to fire protection districts in non-metropolitan areas of Missouri, those organizations can absorb the cost of annual training. With the information provided above, Oversight assumes this program would not result in a material savings to fire protection districts (no longer required to purchase auto-injectors on their own).

The **Department of Public Safety - Director's Office**, the **Department of Social Services**, the **Department of Conservation**, and the **St. Louis County Department of Justice Services** have each 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 agencies for these sections.

§338.035, 338.210, 338.215, 338.220, 338.260 - Remote Dispensing Site Pharmacies

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will reflect a zero impact on the fiscal note for these sections.

ASSUMPTION (continued)

§376.383 - Prompt Payment of Health Insurance Claims

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will reflect a zero impact on the fiscal note for this section.

§ 376.393 - Pharmacy Benefit Managers licensure & Registration; Conflict of Interest

Officials from the **Department of Commerce and Insurance (DCI)** stated under this legislation, the department would be required to license pharmacy benefit managers. The department would establish the application process and licensure fee by rule. According to the Pharmacy Benefit Management Institute, there are currently 40 pharmacy benefit managers nationwide. The department does not believe any additional FTE would be needed to license all 40 pharmacy benefit managers should they request to become licensed, but the department would need to request General Revenue (GR) appropriation to cover the FTE and expenses of existing department staff processing the pharmacy benefit manager license applications or working on any complaint, unless it is deemed an appropriate use of the Insurance Dedicated Fund. The department estimates charging a licensure and renewal fee of $1,000 based upon the licensure fee of third party administrators (TPAs). The department estimates needing to cover the cost of .25 Insurance Financial Analyst II FTE, .25 Fiscal and Administrative Manager FTE and .25 of a Legal Counsel FTE, with the licensure fee and requesting GR appropriation for any shortfall of licensure revenue.

In summary, DCI assumes a cost of $32,169 in FY 2021, $69,164 in FY 2022 and $69,770 in FY 2023 to the General Revenue Fund to provide for the implementation of the changes in this proposal.

DCI also assumes a revenue of $40,000 (40 pharmacy benefit managers x Annual $1,000 licensing fee) to the General Revenue Fund.

Oversight has no contrary information, and will show the estimates provided by DCI.

In response to a previous version, officials from the **Missouri Consolidated Health Care Plan (MCHCP)** stated this proposal enacts provisions relating to payments for prescription drugs. To the extent the proposed language would not preclude MCHCP separately contracting with a specialty pharmacy for supply and payment of specialty drugs, the expected fiscal impact would be $0. Should the language allow retail pharmacies to supply and bill for specialty drugs, then MCHCP would likely have an unknown increased cost.

ASSUMPTION (continued)

Oversight will range the fiscal impact to MCHCP as $0 (the language would preclude MCHCP separately contracting with a specialty pharmacy for supply and payment of specialty drugs) to (Unknown) (retail pharmacies are allowed to supply and bill for specialty drugs) to the General Revenue Fund, Other State Funds, and Federal Funds.

The costs associated with contracting with a pharmacy benefit manager could lead to a negative impact to the Plan, though this amount is not quantifiable.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Office of Administration**, the **Missouri Department of Conservation** and the **Department of Social Services** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

In response to a previous version, officials from the **Department of Public Safety - Missouri Highway Patrol** deferred to the Department of Transportation to estimate the fiscal impact of the proposed legislation on their organization.

§ 376.945 - Life Care Contracts

Officials from the **Department of Commerce and Insurance (DCI)** stated that as written, DCI believes this bill will not add any new regulatory requirements. As a result, there would be no fiscal impact to DCI.

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will show a zero impact on the fiscal note for this section.

§ 376.1578 - Prompt Credentialing Compromise

§ 376.1578(3)
In response to a previous version, officials from the **Department of Social Services** stated, currently, the health plans are not required to reimburse practitioners for services delivered during the credentialing period except in the case of emergencies. In non-emergency cases, the health plans may reimburse the practitioner at a non-participating provider rate or at a negotiated rate under a single case agreement. Since this legislation does not specify if the rate must be a

ASSUMPTION (continued)

participating or non-participating rate, it is assumed the health plans will pay the non-participating rate or negotiate a single case agreement and will follow the prior authorization policies of the respective health plans. Under these assumptions, there will be no fiscal impact to the rates paid by the state to the health plans, and there will be no fiscal impact to Managed Care operations.

However, if the author's intent were that the participating rate must be paid for services delivered during the credentialing period, an actuarial study would be needed to evaluate the potential impact on the rates paid to the health plans. They estimate the actuarial cost to evaluate this change to the Managed Care capitation rates to be approximately $50,000, and the fiscal impact to rates to be at least $100,000.

Mohealthnet (DMH) submitted the following tables, showing increased costs for claims submitted and paid.

Section: 376.1578.3

Actuarial Cost	$ 50,000
Rate adjustment	$ 100,000

Total 376.1578.3	GR	Federal	Other	Total
FY21 Costs	$ 59,867	$ 90,133		$ 150,000
FY22 Costs	$ 36,645	$ 68,455		$ 105,100
FY23 Costs	$ 38,514	$ 71,946		$ 110,460

Section: 376.1578.4 - 5

Actuarial Cost	$ 50,000
Rate adjustment	$ 100,000

Total 376.1578.4 - 5	GR	Federal	Other	Total
FY21 Costs	$ 59,867	$ 90,133		$ 150,000
FY22 Costs	$ 36,645	$ 68,455		$ 105,100
FY23 Costs	$ 38,514	$ 71,946		$ 110,460

Grand Total

Grand Total	GR	Federal	Other	Total
FY21 Costs	$ 119,734	$ 180,266		$ 300,000
FY22 Costs	$ 73,290	$ 136,910		$ 210,200
FY23 Costs	$ 77,028	$ 143,892		$ 220,920

ASSUMPTION (continued)

§610.100 - Confidentiality of certain health records

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will reflect a zero impact on the fiscal note for this section.

§ 344.030 - Nursing Home Administrator License

Officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DHSS)** stated this legislation revises the professional licensing and temporary emergency licensing criteria for nursing home administrator applicants. Applicants applying for licensure under this legislation would fall under the same process, fee and review as current applicants. Changing regulations and applicant Licensure reviews are within the normal duties for DRL so minimal time and expense will be required to conduct the requirements fo the proposed legislation.

Oversight notes that DHSS has stated expenses related to the proposal can be absorbed, therefore this proposal will not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this section.

Waiver of the Institutions for Mental Disease Exclusion

In response to a similar proposal, officials from the **Department of Social Services** state assuming the use of the providers currently contracted with the Department of Mental Health, then the fiscal impact would be cost neutral.

§ 143.1160. 191.1061 - 191.1607 - Deduction for contributions to Long-Term Dignity Savings Account(s)

In response to a previous version, officials from the **Office of Administration - Budget & Planning Division (B&P)** state **Section 143.1160** would create a tax deduction, beginning in Tax Year 2021, for taxpayers who contribute to a long-term dignity savings account. The deduction shall equal 100% of qualifying contributions up to $4,000 for single and head of household taxpayers and $8,000 for married filing joint taxpayers. This program shall sunset 12/31/2024, unless reauthorized.

B&P notes that the number of people who will create and contribute to a long-term savings account is currently unknown. B&P will estimate the impact of this proposal by showing account

ASSUMPTION (continued)

usage similar to the percentage of people that purchase long-term care insurance versus the percentage of people who contribute to a college savings plan. B&P chose long-term care insurance purchases because the use of such funds is similar to this proposal. B&P chose a college savings plan because the duration and tax planning purposes of such plans are similar the savings accounts established under this proposal. For the purpose of this fiscal note, B&P will assume that individuals contribute the maximum allowed under this proposal ($4,000 for single and $8,000 for married filing joint).

Low Estimate

According to data published by the American Association for Long-Term Care Insurance, there were 350,000 individuals who purchased long-term care insurance during 2019. Of those purchases 50% were by individuals who are married and 50% were by individuals who were single. Using the population of Americans, B&P estimates that 0.1% of individuals purchase long-term care insurance; with 0.05% purchased by single individuals and 0.05% purchased by married individuals.

During 2017, the most recent complete tax year available, there were 1,835,556 single and head of household taxpayers and 1,229,346 married filing joint taxpayers. Using the usage percentage calculated above, B&P estimates that 1,640 taxpayers (982 single and 658 married) may contribute to a long-term dignity savings account. Using the deduction caps created under subsection 143.1160.2, B&P estimates that deduction claims could total $9,192,000 annually (982 x $4,000 + 658 x $8,000). However, deductions do not reduce revenues on a dollar for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

High Estimate

Based on Fiscal Year 2017 data, 56,892 taxpayers claimed a deduction for contributions into a 529-savings account. Based on the number of taxpayers in 2016 (which corresponds to Fiscal Year 2017 tax return claims), B&P estimates that the college savings plan had a usage rate of 1.8% across all taxpayers. For the purpose of this fiscal note, B&P will assume the same allocation of taxpayers between single and married filing joint as those used for the low estimate above. Therefore, B&P estimates that 28,207 taxpayers (16,893 single and 11,314 married) may contribute to a long-term dignity savings account. Using the deduction caps created under subsection 143.1160.2, B&P estimates that deduction claims could total $158,084,000 annually (16,893 x $4,000 + 11,314 x $8,000). However, deductions do not reduce revenues on a dollar

ASSUMPTION (continued)

for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

Summary

B&P notes that while this deduction would become available in Tax Year 2021, the impact to Total State Revenue (TSR) will not occur until taxpayers file their annual return in Fiscal Year 2022.

Tax Year / Fiscal Year Impact	Deduction Claims	Current Law	TY21* / FY22	TY22* / FY23	TY23* / FY24
Tax Rate		5.40%	5.30%	5.20%	5.10%
LTC Purchase Rate (0.1%)	$9,192,000	$496,368	$487,176	$477,984	$468,792
College Savings Accounts (1.8%)	$158,084,000	$8,536,536	$8,378,452	$8,220,368	$8,062,284

*Assumes each SB 509 (2014) trigger is reached for rate reduction

Therefore, B&P estimates that this proposal could reduce TSR and General Revenue (GR) by $496,368 to $8,536,536 (top tax rate 5.4%) or by $487,176 to $8,378,452 (top tax rate 5.3%) in Fiscal Year 2022. Once SB 509 (2014) has fully implemented, this proposal could reduce TSR and GR by $468,792 to $8,062,284 annually.

Oversight notes B&P has provided an impact consisting of a range beginning with an estimate found using data specific to long-term care insurance purchases and ending with an estimate found using participation rates of college savings accounts.

Officials from the **Missouri Department of Revenue (DOR)** state, for all tax years beginning on or after January 1, 2021, a taxpayer shall be allowed a deduction of one hundred percent (100%) of a participating taxpayer's contributions to a long-term dignity savings account in the tax year of the contribution. The long-term dignity savings account may be used to pay or reimburse a qualified beneficiary's eligible expenses. These eligible expenses are defined in 26 U.S.C. Section 7702B(c)(2) and includes necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care for the chronically ill or those with a disability.

DOR notes, currently, Missourians are eligible to receive a deduction on their Missouri tax return for premiums paid for qualified long-term care insurance or for unreimbursed long-term care expenses. In Fiscal Year 2017, Missourians reported:

ASSUMPTION (continued)

Filing Status	Number of Filers Claiming Deduction	Amount Reported	Percent of All Filers in the Filing Status Claiming a Deduction
Single	27,360	$55,649,224	2%
Head of Household	2,149	$3,153,286	1%
Married Filing Jointly	47,072	$140,059,601	6%
TOTAL	76,581	$198,861,111	

However, it appears from this proposal that payments for long-term care insurance do not qualify for this tax credit.

To determine how many taxpayers may choose to participate in savings for their long-term care, they considered programs that are similar and information obtained from numerous sources. Only 0.02% of people purchase long-term care insurance per the American Association of Long-Term Care Insurance. Only 0.04% of people participate in a 529 education savings plan per the Pew Institute. According to the IRS data for Missourians in Tax Year 2019, 20% of Missourians received a distribution from or made a contribution to an individual retirement account. DOR notes this 20% may be higher than expected as DOR used the number of filers of the Retirement Savings Credit and the IRA payment filers and the Taxable IRA Distribution numbers to determine filers. It is possible people are counted twice as claiming the retirement savings credit and making an IRA payment.

According to the American Association of Long-Term Care Insurance the average cost of longer term care insurance is $2,007 per year for a single person age 55 and for a couple is $2,466 per year.

The MO Department of Commerce and Insurance stated that the national average of long-term care in the United States in 2016 was:
$253 a day or $7,698 per month for a private room in a nursing home.
$225 a day or $6,844 per month for a semi-private room in a nursing home.
$119 a day or $3,628 per month for care in an assisted living facility (for a one bedroom unit).
$20.50 an hour for a home health aid
$68 a day for services in an adult day health care facility.

It appears the nursing home and assisted living facility costs would be included in the eligible expenses outlined in the proposal. This proposal would allow the amount of the deduction claimed shall not exceed the amount of the taxpayer's Missouri Adjusted Gross Income for the

ASSUMPTION (continued)

tax year that the deduction is claimed, and shall not exceed four thousand dollars ($4,000) per taxpayer claiming the deduction, or eight thousand dollars ($8,000) if married filing combined.

DOR notes that if the same people who claimed the deduction on their Missouri tax return also opened a long-term care savings account, and were eligible to claim the credit, it would result in the following:

Filing Status	Number of Filers Claiming Deduction	Tax Credit Claimed	Total Credit Claimed
Single	27,360	$4,000	$109,440,000
Head of Household	2,149	$4,000	$8,596,000
Married Filing Jointly	47,072	$8,000	$376,576,000
TOTAL	76,581		$494,612,000

It is noted that the savings account must be open for more than 1 year prior to withdrawals being made from the account to cover the eligible expenses. Additionally, as shown with other savings account programs the participation rate is greatly overstated above.

DOR instead will assume that using the number of filers claiming the deduction and the 20% (amount of those that save for retirement) may produce a more realistic number of filers.

Filing Status	Current Number of Filers Claiming Deduction	20% that would establish the Account	Tax Credit Claimed	Total Credit Claimed
Single	27,360	1,701	$4,000	$6,804,000
Head of Household	2,149	3,402	$4,000	$13,608,000
Married Filing Jointly	47,072	10,210	$8,000	$81,680,000
TOTAL	76,581			$102,092,000

DOR notes that since this is a deduction it would go against the current expected tax rate and be filed on the tax returns the following year. This projected tax rates assume that SB 509 (2014) is triggered each year consecutively. The loss to GR is estimated to be:

ASSUMPTION (continued)

Calendar Year	Projected Tax Rate	Total Deduction
TY 2021	5.30%	$5,410,876
TY 2022	5.20%	$5,308,784
TY 2023	5.10%	$5,206,692

Fiscal Year Impact

Fiscal Year	Total Deduction
FY 2021	$0
FY 2022	$5,410,876
FY 2023	$5,308,784
FY 2024	$5,206,692

Oversight notes DOR has provided an estimate found by using participation rates for retirement savings.

Oversight notes Section 143.1160 of this proposed legislation would allow taxpayers who make contributions to an established Long-Term Dignity Savings Account to claim a deduction in an amount equal to the lesser of 100 percent of the contribution(s) made to a Long-Term Dignity Savings Account within a given tax year or $4,000 if filing single or $8,000 filing combined.

Oversight notes this proposed legislation, beginning January 1, 2021, would allow any individual who is a resident of this state to open a Long-Term Dignity Savings Account and make contributions to the account(s) which would qualify the individual for the deduction created under this section. Oversight notes the possibility of zero Missouri residents participating in this program as well as one hundred percent of Missouri residents participating in this program. Oversight assumes it to be highly unlikely that either of the previous two scenarios occur.

Oversight recognized, based on information published by the Congressional Research Service, Long-Term Care expenditures for the United States during 2016 totaled $366 billion. The Congressional Research Service stated the expenditures of Long-Term Care, during 2016 were provided by the following sources: Medicaid (42.2%), Medicare (21.84%), Other Public (6.31%), Private Insurance (7.54%), Other Private (6.53%) and Out-Of-Pocket (15.58%).

Information published by the Kaiser Family Foundation indicates the State of Missouri received approximately $2,901,085,449 from Medicaid for Long-Term Care during Fiscal Year 2018.

ASSUMPTION (continued)

Using the percentages provided by the Congressional Research Service, Oversight used the Medicaid expenditures for Missouri during Fiscal Year 2018 reported by the Kaiser Family Foundation to estimate the expenditures to Missouri from the other sources of Long-Term Care mentioned above. Oversight provides the following expenditures per source for the State of Missouri with an estimated total of $6,875,046,411 spent on Long-Term Care in Missouri:

Total Estimated Missouri Expenditures on Long-Term Care	**$6,875,046,410.55**	**$2,901,085,449 / 42.2%**
Medicaid Spending On Long Term Care Per State (Provided by Kaiser Family Foundation)	$2,901,085,449	Total X 42.2%
Medicare Spending Per Congressional Research Service	$1,501,274,141	Total X 21.84%
Other Public Per Congressional Research Service	$434,035,453	Total X 6.31%
Other Private Per Congressional Research Service	$449,066,983	Total X 6.53%
Private Insurance Per Congressional Research Service	$518,587,813	Total X 7.54%
Out of Pocket Per Congressional Research Service	$1,070,996,571	Total X 15.58%

As shown above, Oversight estimates out-of-pocket expenses for Long-Term Care paid by Missourians for one year totals $1,070,996,571.

Based on the estimates above, Oversight estimates that the deduction created under this section could amount to $1,070,996,571, provided that the individuals spending such amount(s) contribute or donate their monies to their Long-Term Dignity Savings Account for the expense.

Oversight notes that the deduction is allowable pre-tax and does not represent a dollar-for-dollar reduction to TSR or GR; the deduction must be multiplied by the applicable (top) tax rate to estimate a true decrease to TSR and GR. Oversight notes the following tax rates per tax year, assuming the triggers created under SB 509 (2014) are met, resulting in a reduction of the top rate of personal income tax by one-tenth of one percent until fully implemented in Tax Year 2023:

ASSUMPTION (continued)

Tax Year	Tax Rate
2020	5.40%
2021	5.30%
2022	5.20%
2023	5.10%

Oversight notes the first tax year in which the deduction under this proposed legislation could be claimed is Tax Year 2021, which will not be filed until after January 1, 2022 (Fiscal Year 2022). Oversight estimates the following decreases to TSR and GR per fiscal year:

Fiscal Year	Tax Rate Applied	Decrease To TSR/GR
2022	5.30%	$56,762,818
2023	5.20%	$55,691,822
2024	5.10%	$54,620,825

Oversight notes the estimates provided by Oversight do not take into consideration the capped deduction equal to $4,000 for taxpayers who file single and $8,000 for taxpayers who file combined, as the participation rate is unknown. The estimates above only report the estimated maximum amount that could be deducted (resulting in a loss to TSR and GR) provided individuals who currently receive long-term care first deposit their estimated out-of-pocket expenses into a Long-Term Dignity Savings Account prior to payment in order to receive the tax benefit.

Oversight notes the program's participation rate and contribution amounts are unknown and the estimated fiscal impacts vary widely. Therefore, for the purposes of this fiscal note, Oversight will utilize DOR's estimate, but state the amount could be less than or more than those amounts.

Officials from the **Office of the Secretary of State (SOS)** state 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 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.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this section. 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 **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond current appropriations.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to a previous version, officials from the **University of Missouri's Economic & Policy Analysis Research Center (EPARC)** state they do not possess information that would indicate the number of filers that would open such an account. Therefore, they are unable to estimate the impact this proposed legislation may have on GR.

Oversight notes the **Missouri Department of Commerce and Insurance** has stated the proposed legislation would not have a direct fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

§ 9.3000 - Buddy Check 22 Day

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will reflect a zero impact on the fiscal note for this section.

§ 376.782 - Insurance Mandate Relating to Breast Cancer Screening and Evaluation

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will reflect a zero impact on the fiscal note for this section.

§191.940 - Postpartum Depression Screening

Oversight notes no responding agency assigned direct fiscal impact to this section. Oversight has no contrary information, and will reflect a zero impact on the fiscal note for this section.

ASSUMPTION (continued)

§208.151 - Extends MO HealthNet postpartum depression treatment to 12 additional months

In response to a similar proposal, SB 788 (2020), officials from the **Department of Social Services (DSS)** stated the proposed legislation extends MO HealthNet coverage for participants who receive mental health treatment for postpartum depression or related mental health services from sixty days to one year. If the proposed legislation passes, a waiver would be required to extend the current 60 day post-partum coverage to one year.

The MO HealthNet Division's (MHD) Evidence Based Unit identified in the first fiscal year, there would be 9,068 member months eligible for reimbursement. This estimate was based on the number of pregnant women with a Substance Use Disorder (SUD) diagnosis and for those mothers that were not eligible for another full Medicaid benefit. From this report, MHD calculated the number of months needed for coverage after their 60 day postpartum coverage (this represents the number of member months).

The average per member per month (PMPM) payment for participants with postpartum depression and other related mental health conditions is estimated to be $531.84 in FY 21. This PMPM was calculated by reviewing all behavioral health related costs for child bearing women (excluded disabled women) aged 14-44 years old.

System modifications will be needed to create a new Medical Eligibility (ME) code in the Medicaid Management Information System (MMIS) for these participants, the estimate for this cost would be $160,000. There will also likely be a need for system work in the Missouri Eligibility Determination and Enrollment System (MEDES) and in MHD Prod. MHD defers to FSD/ITSD for this estimate.

FY 21 total: $4,982,822 (GR: $1,761,573; Fed: $3,221,249)
FY 22 total: $5,430,936 (GR: $1,893,605; Fed: $3,537,332)
FY 23 total: $6,115,768 (GR: $2,132,385; Fed: $3,983,383)

Oversight does not have any information to the contrary. Oversight assumes DSS will be able to obtain a federal waiver for the program changes in this proposal. Therefore, Oversight will reflect the costs provided by DSS for fiscal note purposes.

ASSUMPTION (continued)

In response to a previous version, **Office of Administration (OA), Information Technology Services Division (ITSD)/DSS** state this section of the proposal will require changes to the MHD systems and the Missouri Eligibility Determination and Enrollment System (MEDES).

Changes to the MHD systems include, but are not limited to logic to incorporate a new medical eligibility (ME) code into MHD systems including managed care and eligibility being sent to other programs for claims payments and reporting.

Changes to MEDES include but are not limited to: revision of existing system screens to capture additional information; determination of eligibility for the mental health services benefits for up to 12 months; modification of existing system forms and notices; addition of new ME codes; and generation of eligibility records for processing through MO HealthNet Systems and Missouri Medicaid Information System (MMIS).

OA, ITSD/DSS assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates for MHD systems are estimated at $95/hour. It is assumed MHD systems modifications will require 267.84 hours for a cost of $25,445 (267.84 * $95), 50% GR/50% Federal ($12,722 GR; $12,723 Federal) in FY 21 exclusively.

Modifications for the MEDES system must be performed by Redmane. Hourly IT costs under this contract vary by position title and work type. It is estimated to take 3,515 hours for a total cost of $597,550, 50% GR/50% Federal ($298,775 GR; $298,775 Federal) in FY 21 exclusively.

Therefore, the total OA, ITSD/DSS costs for this proposal are $622,995 in FY 21 exclusively.

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

Officials from **DMH** assume that behavioral health services for postpartum depression and related mental health conditions would likely be covered by DSS. Postpartum depression is not normally covered by DMH services until it reaches a severity to qualify for Comprehensive Psychiatric Rehabilitation (CPR) services, therefore, DMH would assume no fiscal impact and that most of these services would fall under DSS cost.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by DMH for this section for fiscal note purposes.

ASSUMPTION (continued)

Officials from the **University of Missouri Health Care** have reviewed the proposed legislation and determined that, as written, it should not create expenses in excess of $100,000.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the University of Missouri Health Care will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the University of Missouri Health Care for fiscal note purposes.

§ 376.1345 - Health Insurance Reimbursement Overpayment

In response to a similar proposal, HCS for HB 1697 (2020), officials from the **Department of Commerce and Insurance**, the **Missouri Consolidated Health Care Plan**, the **Department of Transportation**, the **Office of Administration** and the **Missouri Department of Conservation** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal, HB 1697 (2020), officials from the **Department of Social Services** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this section.

In response to a similar proposal, HCS for HB 1697 (2020), officials from the **Department of Public Safety - Missouri Highway Patrol** deferred to the Department of Transportation to estimate the fiscal impact of the proposed legislation on their organization.

§ 345.050 - Licensing of Speech Pathologists and Audiologists

Officials from the **Department of Commerce and Insurance** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the Department of Commerce and Insurance has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this section.

ASSUMPTION (continued)

COVID-19 Testing (Section 1)

Oversight assumes this provision would require the state to pay for the portion of a COVID-19 test that is not covered by resident's health insurance. Based on information form the Henry J. Kaiser Family Foundation, Oversight estimated the number of uninsured Missourians at approximately 613,783. Assuming a cost of $150 per test, the total cost to pay for tests for those that are uninsured is estimated at $92,067,450 (613,783 * $150). Oversight will show an impact to Federal Funds that could exceed $92,000,000.

Officials at the **Department of Health and Senior Services** assume this proposal would require additional unknown FTE, equipment, programming, office space, etc. Oversight will show an unknown cost to DHSS for additional FTE and other related expenses.

Upon the receipt of agency responses, **Oversight** will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Credentialed Practitioner

Oversight assumes this provision has no fiscal impact. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
Costs - MHD/DSS (§208.151) - SA9			
Program distributions	($1,681,573)	($1,893,605)	($2,132,385)
MMIS system modifications (Wipro)	($80,000)	$0	$0
Total Costs - DSS p. 30	($1,761,573)	($1,893,605)	($2,132,385)
Costs - OA, ITSD/DSS (§208.151)			
MHD system changes	($12,722)	$0	$0
MEDES system updates (Redmane)	($298,775)	$0	$0
Total Costs - OA, ITSD/DSS p. 31	($311,497)	$0	$0
Savings - DHSS (§208.935)			
Paper and toner p. 14	$1,161	$1,394	$1,394
Costs - DSS/MHD (§208.918)			
Personal service	($19,616)	($23,775)	($24,013)
Fringe benefits	($11,314)	($13,656)	($13,735)
Equipment and expense	($5,431)	($2,479)	($2,541)
Total Costs - DSS	($36,361)	($39,910)	($40,289)
FTE Change - DSS p. 13	0.5 FTE	0.5 FTE	0.5 FTE
Costs - DHSS (§208.935)			
Mobile assessment system changes	($50,000)	($44,958)	($26,429)
Mobile assessment tablets and accessories	($25,375)	$0	$0
Total Costs - DHSS p. 14	($75,375)	($44,958)	($26,429)
Transfer Out - DHSS §321.621 - to the Epinephrine Auto-Injector Devices for Fire Personnel Fund p. 15-16	$0 to Could Exceed ($126,000)	$0 to Could Exceed ($129,150)	$0 to Could Exceed ($132,379)
Revenue - DCI (§376.393)			
$1,000 Pharmacy Benefits Manager License Fee p. 18	$40,000	$40,000	$40,000

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND Continued			
Cost - DCI (§376.393)			
Salaries	($18,744)	($45,435)	($45,890)
Fringe Benefits	($13,425)	($23,729)	($23,880)
Equipment and Expense	$0	$0	$0
Total Cost - DCI (§376.393) p. 18	($32,169)	($69,164)	($69,770)
FTE Change - DCI	.75 FTE	.75 FTE	.75 FTE
Cost - MHD (§ 376.1578) Increased payments p.20	($119,734)	($73,290)	($77,028)
Cost - MCHCP (§376.393) Specialty Pharmacy for Specialty Drugs p. 18	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
Revenue Reduction - Section 143.1160 - Tax deduction for contributions made to Long-Term Dignity Savings Account p.26	$0	Less than or More than ($5,410,876)	Less than or More than ($5,308,784)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	**Could exceed ($2,421,548)**	**Could exceed ($7,619,559)**	**Could exceed ($7,745,670)**
Estimated net FTE Change on General Revenue	0.75 FTE	0.75 FTE	0.75 FTE

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
MO VET HEALTH AND CARE FUND (0606)			
Costs - DHSS (§195.805)	$0 to...	$0 to...	$0 to...
Personal service	$0	($80,800)	($81,608)
Fringe benefits	$0	($49,874)	($50,142)
Equipment and expense	$0	($47,402)	($33,375)
Total Costs - DHSS p. 9	$0	($178,076)	($165,125)
FTE Change - DHSS	0 FTE	0 to 2 FTE	0 to 2 FTE
Costs - DHSS (§195.805) - IT contract costs p. 9	($88,000)	($12,000)	($12,000)
ESTIMATED NET EFFECT ON THE MO VET HEALTH AND CARE FUND	**($88,000)**	**($12,000 to $190,076)**	**($12,000 to $177,125)**
CRIMINAL RECORD SYSTEM FUND (0671)			
Income - DPS, MHP (§195.815) - Increase in background check fees p. 10-11	$76,560	$43,472 to $85,800	$43,472 to $85,800
ESTIMATED NET EFFECT ON THE CRIMINAL RECORD SYSTEM FUND	**$76,560**	**$43,472 to $85,800**	**$43,472 to $85,800**

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
OPIOID ADDICTION TREATMENT AND RECOVERY FUND			
Income - AGO (§ 196.1050) - potential proceeds of an opioid-related global settlement with drug manufacturers, distributors, or combination p. 11	$0 or Unknown	$0 or Unknown	$0 or Unknown
Costs - various agencies (§ 196.1050) - utilizing proceeds for opioid addiction treatment and prevention services, health car, and/or law enforcement p. 11	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
ESTIMATED NET EFFECT TO THE OPIOID ADDICTION TREATMENT AND RECOVERY FUND	**$0**	**$0**	**$0**
EPINEPHRINE AUTO-INJECTOR DEVICES FOR FIRE PERSONNEL FUND			
Transfer In - appropriation from General Revenue	$0 to Could Exceed $126,000	$0 to Could Exceed $129,150	$0 to Could Exceed $132,379
Cost - DHSS (§321.621) Contracting or employing a physician to issue epinephrine order p. 15	$0 to (unknown)	$0 to (unknown)	$0 to (unknown)
Cost - DHSS (§321.621) Epinephrine auto injector devices (200 packages (400 injectors) x $600 per package) p. 16	$0 to ($120,000)	$0 to ($123,000)	$0 to ($126,075)

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
Cost - DHSS (§321.621) Shipping p.16	$0 to ($6,000)	$0 to ($6,150)	$0 to ($6,304)
ESTIMATED NET EFFECT ON THE EPINEPHRINE AUTO-INJECTOR DEVICES FOR FIRE PERSONNEL FUND	**$0**	**$0**	**$0**
COLLEGES AND UNIVERSITIES			
Costs - Colleges and Universities (§190.092) - AED maintenance and upkeep p. 6	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**
FEDERAL FUNDS			
Income - DSS (§208.151)			
Program reimbursements	$3,141,249	$3,537,332	$3,983,383
MMIS system reimbursements	$80,000	$0	$0
Total Income - DSS p.33-35	$3,221,249	$3,537,332	$3,983,383
Income - OA, ITSD/DSS (§208.151) Reimbursement for MHD and MEDES system changes p.33	$311,498	$0	$0
Costs - DSS (§208.151)			
Program distributions	($3,141,249)	($3,537,332)	($3,983,383)
MMIS system modifications (Wipro)	($80,000)	$0	$0
Total Costs - DSS p.34	($3,221,249)	($3,537,332)	($3,983,383)
Costs - OA, ITSD (§208.151)			
MHD system changes	($12,723)	$0	$0
MEDES system updates (Redmane)	($298,775)	$0	$0
Total Costs - OA, ITSD p.34	($311,498)	$0	$0

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
FEDERAL FUNDS - Continued			
Income - DSS (§208.918)			
Reimbursement for program expenditures p.14-15	$36,361	$39,910	$40,289
Income - DHSS (§208.935)			
Reimbursement for mobile assessment system changes and equipment p.14-15	$475,375	$134,873	$79,288
Savings - DHSS (§208.935)			
Paper and toner p.14-15	$1,161	$1,394	$1,394
Income - DHSS (Section 1) - Reimbursement for program expenditures p.36-37	Unknown	Unknown	$0
Income - DHSS (Section 1) - COVID-19 Testing p.36-37	Unknown, Could exceed $92,000,000	Unknown, Could exceed $92,000,000	$0
Costs - DSS/MHD (§208.918)			
Personal service	($19,616)	($23,775)	($24,013)
Fringe benefits	($11,314)	($13,656)	($13,735)
Equipment and expense	($5,431)	($2,479)	($2,541)
Total Costs - DSS p.14-15	($36,361)	($39,910)	($40,289)
FTE Change - DSS	0.5 FTE	0.5 FTE	0.5 FTE
Costs - DHSS (§208.935)			
Mobile assessment system changes	($450,000)	($134,873)	($79,288)
Mobile assessment tablets and accessories p.16-17	($25,375)	$0	$0
Total Costs - DHSS (§208.935)	($475,375)	($134,873)	($79,288)
Losses - DHSS (§208.935)			
Reduction in program expenditure reimbursement for paper and toner p.16	($1,161)	($1,394)	($1,394)

FISCAL IMPACT - State Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
FEDERAL FUNDS - Continued			
Cost - MCHCP (§376.393) Specialty Pharmacy for Specialty Drugs p.20-21	$0 to (Unknown)	$0 to (Unknown)	$0 to (Unknown)
Cost - DHSS (Section 1) - Program Expenditures p.36-37	(Unknown)	(Unknown)	$0
FTE Change - DHSS	Unknown FTE	Unknown FTE	0
Cost - DHSS (Section 1) - COVID-19 Testing p.36-37	(Unknown, Could exceed $92,000,000)	(Unknown, Could exceed $92,000,000)	$0
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0**	**$0**	**$0**
Estimated net FTE Change on Federal Funds	Unknown FTE	Unknown FTE	0.5 FTE

FISCAL IMPACT - Local Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL POLITICAL SUBDIVISIONS			
Costs - All Local Governments (§190.092) - AED maintenance and upkeep p.4-6	(Unknown)	(Unknown)	(Unknown)
Income - School Districts (§195.805) - Penalty income p. 9	$0 to Unknown	$0 to Unknown	$0 to Unknown
Income - Ripley County - County public health center - 25% of funds remaining in special trust. p. 12	Unknown	$0	$0
Income - Ripley County - federally qualified health center - 75% of funds remaining in special trust. p. 12	Unknown	$0	$0

FISCAL IMPACT - Local Government (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
Loss- Ripley County Hospital District - remaining proceeds from sales tax distributed to other entities (above) p. 12	(Unknown)	$0	$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	**(Unknown) to Unknown**	**(Unknown) to Unknown**	**(Unknown) to Unknown**

FISCAL IMPACT - Small Business

This proposal may impact small business that make or sell medical marijuana products. (§195.805)

This proposal will negatively impact small businesses in the medical marijuana industry if they pay the background check fees for potential employees. (§195.830)

Certain small business pharmacies could be impacted by this proposal. (§338.035 to §338.260)

FISCAL DESCRIPTION

This proposal modifies various provisions related to health care.

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

Columbia/Boone County Department of Public Health and Human Services
City of Brentwood
City of Kansas City
City of Riverside

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SOURCES OF INFORMATION (continued)

City of Springfield
Cooper County Public Health Center
Department of Conservation
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education and Workforce Development
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Public Safety
Department of Public Safety - Capitol Police
Department of Public Safety - Fire Safety
Department of Public Safety - Missouri Highway Patrol
Department of Revenue
Department of Social Services
Department of Transportation
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Gaming Commission
Missouri House of Representatives
Missouri National Guard
Missouri Senate
Missouri State Highway Patrol
Office of Administration
Office of Administration - Administrative Hearing Commission
Office of Administration - Budget and Planning
Office of the Attorney General
Office of the Governor
Office of the Lieutenant Governor
Office of Prosecution Services
Office of the Secretary of State
Office of the State Treasurer
Office of the State Courts Administrator
Springfield Police Department
State Emergency Management Agency,
State Technical College of Missouri

SOURCES OF INFORMATION (continued)

St. Louis County
St. Louis County Department of Justice Services,
St. Louis County Police Department
University of Missouri Health Care

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June 19, 2020

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June 19, 2020

EJU:LR:OD