

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0983S.01I
Bill No.: SB 194
Subject: Health Care Professionals; Insurance - Health; Physicians; Professional
Registration and Licensing
Type: Original
Date: January 29, 2021

Bill Summary: This proposal modifies provisions relating to physician maintenance of certification or licensure.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds			

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal Funds*	\$0 to (\$25,000,000)	\$0 to (\$25,000,000)	\$0 to (\$25,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to (\$25,000,000)	\$0 to (\$25,000,000)	\$0 to (\$25,000,000)

*Officials from the Department of Social Services – MoHealthNet Division state this proposal may put Missouri’s federal funding at risk if it puts Missouri out of federal compliance.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§334.285 - Maintenance of physician certification

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state the health plans that contract with the state to provide MO HealthNet services to MO HealthNet Managed care members are considered health carriers as defined under Chapter 376, RSMo. Since there is no specific exemption for them, it is assumed this could affect them.

Consistent with 42 CFR 438.602(b) and 438.608(b), all network providers must be enrolled with MO HealthNet as a Medicaid provider. The health plan must have written credentialing and re-credentialing policies and procedures for determining and assuring that all in-network providers are licensed by the State in which they practice and are qualified to perform their services. The health plan must notify the state agency of any denial of enrollment due to the results of the provider credentialing or re-credentialing process. Pursuant to 42 CFR 1002.3(b), the state agency shall notify the HHS Office of the Inspector General of a denial based on the determination a provider has failed to renew his or her license or certification registration, or has a revoked professional license or certification.

As federal regulations require physicians to maintain their licenses in order to be enrolled as a Medicaid provider, it is assumed MO HealthNet's federal funding would be at risk if Missouri did not require maintenance of certification. The fiscal impact will be a GR pick up.

FY22 Total: \$0 - \$25,000,000 (GR: \$0 - \$25,000,000)

FY23 Total: \$0 - \$25,000,000 (GR: \$0 - \$25,000,000)

FY24 Total: \$0 - \$25,000,000 (GR: \$0 - \$25,000,000)

Oversight notes provisions of this proposal do not provide for the General Revenue Fund to replace lost federal monies. Therefore, for fiscal note purposes only, Oversight will show the loss of federal funds as \$0 to (\$25,000,000) annually.

Officials from the **University of Missouri Health Care (UMHC)** state the provisions of the proposed legislation, as written, should not create expenses in excess of \$100,000 short term but UMHC is unable to quantify long term expenses.

Oversight assumes UMHC is provided with core funding to handle a certain amount of activity each year. Oversight assumes UMHC could absorb the costs related to this proposal. Therefore, Oversight will reflect a zero impact in the fiscal note for UMHC.

Oversight notes the **Department of Commerce and Insurance**, the **Department of Social Services**, the **Department of Health and Senior Services**, the **Department of Public Safety**, **Missouri State Highway Patrol**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation** and the **Missouri Department of Transportation** 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 organizations.

Officials from the **Hermann Area Hospital District** assume the proposal will have no 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.

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

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
FEDERAL FUNDS			
<u>Loss - DSS (\$334,285) – Potential for reduction in federal funds due to no physician certification maintenance</u>	<u>\$0 to (\$25,000,000)</u>	<u>\$0 to (\$25,000,000)</u>	<u>\$0 to (\$25,000,000)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0 to (\$25,000,000)</u>	<u>\$0 to (\$25,000,000)</u>	<u>\$0 to (\$25,000,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal may impact small business health care providers.

FISCAL DESCRIPTION

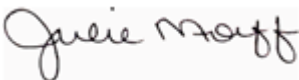
Under this act, hospitals, health care facilities, and institutions owned, operated, or licensed by the state are prohibited from conditioning employment or the granting of medical staff privileges of a physician based on his or her maintenance of certification or maintenance of licensure.

This act also prohibits health carriers from conditioning physician reimbursement or participation in the carrier's health plans on a physician's maintenance of certification or maintenance of licensure.

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 Commerce and Insurance
Department of Health and Senior Services
Department of Public Safety - Missouri Highway Patrol
Department of Social Services
Missouri Department of Conservation
Missouri Department of Transportation
Missouri Consolidated Health Care Plan
University of Missouri Health Care System
Hermann Area Hospital District



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January 29, 2021



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