

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1651-08
Bill No.: Truly Agreed and Finally Passed CCS for HS for SCS for SB 393
Subject: Dentists; Health Care; Health Care Professionals; Medical Procedures & Personnel
Type: Original
Date: May 23, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue*	(\$80,000 to Unknown)	(\$83,200 To In Excess of \$5,083,200)	(\$86,528 To In Excess of \$5,086,528)
Health Families Trust Fund- Health Care Account	\$0	\$0 to \$5,000,000	\$0 to \$5,000,000
Health Initiatives Fund **	(Unknown)	(Unknown)	(Unknown)
Health Access Incentive Fund **	Unknown	Unknown	Unknown
Health Professional Student Loan and Loan Repayment Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Dental Board Fund	(\$2,687)	(\$11,052)	(\$11,365)
Dental Fund	\$0	\$556,995	(\$556,995)
Total Estimated Net Effect on <u>All</u> State Funds	(\$82,687 to Unknown)	\$462,743 to (Unknown)	(\$654,888 to Unknown)

* Subject to appropriation **Could exceed \$100,000 annually

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

***Total Income and Expenditures expected to exceed \$100,000 annually, with a net effect of zero**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 14 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance** and the **Office of State Treasurer** stated this legislation would have no fiscal impact on their agency.

Dental Care for Children - Sections 167.181, 192.080

Missouri Consolidated Health Care Plan (HCP) officials state this proposal would allow a child's treating physician to administer fluoride treatments and provide literature on routine dental care for children HCP states the routine dental literature would fall under the Department of Health's duties. Therefore, the administration of dental fluoride would affect health providers. HCP states that since the proposal does not mandate the care, it is difficult to estimate how many physicians would actually perform this service and include the cost in the contract negotiations with the plans. However, HCP feels any cost associated with the fluoride treatments would be minimal.

Officials from the **Department of Social Services (DOS)** state the proposal would allow physicians to administer fluoride treatments for children they are treating for immunizations. DOS states the proposal would also allow dental hygienists to provide fluoride treatments, teeth cleaning, and sealants without a dentist's supervision (Section 332.311). DOS states this would allow greater access to these dental services. DOS is unable to estimate the increase in billed units that would result from these two provisions.

ASSUMPTION (continued)

Gratuitous Dental Services - Section 332.072

Officials from the **Department of Economic Development - Division of Professional Registration**, in a previous response, assume the proposed legislation would have no fiscal impact on their agency.

Department of Health Funding - Dentists - Sections 191.211, 191.213, 191.411

Officials from the **Department of Health (DOH)** assume there would be no cost associated with this proposal as there is staff in place to manage the PRIMO program and its components and any funds added would be appropriated by the General Assembly.

Oversight assumes this proposal would expand the expenditures of the Health Professional Loan and Loan Repayment Program Fund with the inclusion of dentists. **Oversight** is unable to determine how many dentists may participate.

Health Professional Student Loan Repayment Plan - Sections 191.600 to 191.615

Officials from the **Missouri Consolidated Health Care Plan**, the **Department of Social Services**, the **Department of Conservation**, and the **Department of Transportation** assume this proposal would not fiscally impact their agencies.

Department of Health (DOH) officials state there would be no fiscal impact as the amount of loan repayments made would be determined by the funds appropriated by the General Assembly for such purpose. DOH states that existing loan repayment staff and processes are in place to provide the services to dentists.

Oversight assumes this proposal would expand the current medical school loan repayment program to include dentists. **Oversight** assumes an unknown cost to the state.

Dental Hygienists - Sections 332.086, 332.311

Officials from the **Department of Social Services (DOS)** states this proposal would allow dental hygienists to provide fluoride treatments, teeth cleaning, and sealants without a dentist's supervision. DOS states this would allow greater access to these dental services. DOS is unable to estimate the increase in billed units that would result from this proposal.

ASSUMPTION (continued)

In addition section 332.311.2 would require Medicaid to reimburse any eligible provider who provides fluoride treatments, teach cleaning, and sealants provided to eligible children. DOS estimates the total fiscal impact to be unknown but greater than \$100,000.

Department of Health (DOH) officials state the Department of Economic Development - Division of Professional Registration would incur costs associated with the Hygienist Board. DOH also states there could be some costs associated with the development of a rule for independent hygienist practices in local public health agencies but that cost is not known and would be expected to be minimal. DOH states there would be no local costs as this would be a voluntary program for local public health agencies. DOH states the costs to Medicaid is not known.

Officials from the **Office of Secretary of State (SOS)** state this proposal creates the Advisory Commission for Dental Hygienists. SOS states that based on experience with other divisions, the rules, regulations, and forms issued by the Department of Health could require as many as 6 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes, and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given (\$369). The fiscal impact of this proposal in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

In response to a similar proposal, officials from the **Department of Economic Development (DED)-Professional Registration (DPR)** assumed the proposed legislation would result in increased costs related to the establishment of the Advisory Commission for Dental Hygienists. The DPR assumes annual meeting expenses of \$7,096 would be incurred for the Advisory Commission to meet quarterly, for two days each.

The DPR assumes a .5 Licensure Technician II (.5 FTE at \$24,492 per year) would be needed to provide technical support directly to the Principal Assistant. This individual would be responsible for coordinating advisory board meetings, including, but not limited to, agenda preparation, minutes, etc.

ASSUMPTION (continued)

Office and communication expenses and equipment are based on estimated existing costs within the Division and follow OA guidelines.

DPR also assumes the Office of the Attorney General would provide approximately 60 hours of assistance per year with rules, opinions and meetings at a cost of \$60.87 per hour, resulting in annual costs of \$3,652.

NOTE: The DPR assumes a license fee increase for dental hygienists may be necessary to cover the costs associated with this proposal.

Oversight assumes workload associated with the licensing of dental hygienists is currently occurring. Thus, the proposal should not create additional workload associated with licensees. Any additional workload would be associated with quarterly meetings for the newly created Advisory Commission. Therefore, it is assumed any additional workload associated with quarterly meetings could be absorbed with existing resources. However, if the additional workload should be significant, then the DPR could request additional resources through the normal budget process.

For purposes of this fiscal note, **Oversight** has included costs associated with quarterly meeting expenses for the Advisory Commission and costs for the Attorney General to assist the Advisory Commission. Oversight assumes the Commission would only meet one time in FY 02, since the members would be required to be appointed by April 1, 2002, and therefore, has adjusted meeting expenses accordingly for FY 02.

Donated Dental Services Program - Section 332.324

Department of Health (DOH) officials state they assume that they would contract for professional services to administer this program. DOH states that the costs would include administrative services, laboratory services, and office expenses. DOH estimates costs of \$80,000 annually.

Officials from the **Office of Secretary of State (SOS)** state the proposal would create a donated dental services program for certain eligible persons. SOS states that based on experience with other divisions, the rules, regulations, and forms issued by the Department of Health could require as many as approximately twenty-two pages in the "Code of State Regulations". SOS stated that for any given rule roughly half again as many pages would be published in the "Missouri Register" as in the "Code" because cost statements, fiscal notes, and the like are not repeated in the "Code". SOS states these costs were estimated. SOS estimates the cost of a page in the "Missouri Register" to be \$23. SOS estimates the cost of a page in the "Code" to be \$27.

ASSUMPTION (continued)

SOS states the actual costs could be more or less than the numbers given. SOS states the impact of the proposal on future years was unknown and depended upon the frequency and length of rules, filed, amended, rescinded, or withdrawn. SOS states the proposal alone would not require additional personnel but the cumulative effect of other proposals that require rulemaking activity may, in the aggregate, necessitate additional staff.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Dental Board Duties Regarding Licensing of Dentists and Dental Hygienists - Sections 332.181, 332.261, 332.321

Officials with the **Office of Administration–Administrative Hearing Commission** and the **Department of Economic Development–Division of Professional Registration** assume the proposal will have no fiscal impact on their agency.

Oversight notes that the change to biennial licensure will affect the flow of revenues for renewals.

Federally Qualified Health Centers - Section 660.026

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume that there would not be a fiscal impact to the division. If funds would be appropriated, DMS could contract and provide funding to federally qualified health centers with existing staff and resources.

Oversight assumes a range of \$0 to (\$5,000,000) from the Healthy Families Trust Fund - Health Care Account for FY 2003 and FY 2004. This range reflects the amount of new funding approved from the Healthy Families Trust Fund - Health Care Account in the FY 2002 budget. . Oversight assumes that any funding is subject to appropriation.

Officials from the **Department of Mental Health (DMH)** assume that the dental services that DMH is paying for are provided by Missouri licensed dentists and hygienists and that the potential funding to FQHCs will not affect the DMH service population. Therefore, there would be no fiscal impact to DMH.

ASSUMPTION (continued)

State Legal Defense Fund - Dentists - Section 1

Officials from the **Office of the Attorney General** stated that any costs incurred by their agency resulting from this legislation could be absorbed.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE

Transfer Out - Healthy Family Trust
 Fund - Health Care Account

Contracted Services* (Section 660.026)	\$0	\$0 to (\$5,000,000)	\$0 to (\$5,000,000)
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***Subject to appropriation**

Cost - Department of Social Services

Medical Assistance Payments - Dental Program* (Section 332.311)	(Unknown)	(Unknown)	(Unknown)
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***Expected to exceed \$100,000 annually**

Cost-Department of Social Services

Medical Assistance Payments - Expansion of access to dental services (Sections 167.181, 332.311)	(Unknown)	(Unknown)	(Unknown)
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Cost - Department of Health

Contracted Professional Services (Section 332.324)	(\$80,000)	(\$83,200)	(\$86,528)
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**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>(\$80,000 to UNKNOWN)</u>	<u>(83,200 TO in excess of \$5,083,200)</u>	<u>(\$86,528 TO in excess of \$5,086,528)</u>
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**HEALTH FAMILIES TRUST FUND -
 HEALTH CARE ACCOUNT**

Transfer In - General Revenue

Tobacco Settlement (Section 660.026)	<u>\$0</u>	<u>\$0 to \$5,000,000</u>	<u>\$0 to \$5,000,000</u>
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HEALTH INITIATIVES FUND

Transfer Out - Health Access Incentive
 Fund

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Program Costs* (Section 191.411)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
*Could exceed \$100,000 annually			

**HEALTH ACCESS INCENTIVE
FUND**

Transfer In - Health Initiatives Fund
 (Section 191.411)

Appropriations*	Unknown	Unknown	Unknown
<u>Cost</u> - Health Access Incentive Fund			
Medical School Loans*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON HEALTH ACCESS INCENTIVE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Could exceed \$100,000 annually**

**HEALTH PROFESSIONAL
STUDENT LOAN AND LOAN
REPAYMENT FUND**

Income - Health Professional Student
 Loan and Loan Repayment Fund

Defaults/penalties* (Section 191.614)	Unknown	Unknown	Unknown
<u>Costs</u> - Health Professional Student Loan and Loan Repayment Fund			
Repayment Loans* (Section 191.611)	(Unknown)	(Unknown)	(Unknown)

***Could exceed \$100,000 annually**

Cost - Department of Health

Program cost for dentists (Section 191.600)	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON HEALTH PROFESSIONAL STUDENT LOAN AND LOAN REPAYMENT FUND	<u>\$0 to</u> <u>(UNKNOWN)</u>	<u>\$0 to</u> <u>(UNKNOWN)</u>	<u>\$0 to</u> <u>(UNKNOWN)</u>
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DENTAL BOARD FUND

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<u>Cost</u> - Department of Economic Development - Division of Professional Registration (DED-DPR) (Section 332.086)			
Meeting Expense	(\$1,774)	(\$7,309)	(\$7,528)
Attorney General Expense	<u>(\$913)</u>	<u>(\$3,743)</u>	<u>(\$3,837)</u>
Total <u>Costs</u> - DED-DPR	<u>(\$2,687)</u>	<u>(\$11,052)</u>	<u>(\$11,365)</u>

DENTAL FUND

<u>Revenue</u> - Department of Economic Development-Division of Professional Registration (DED-DPR)			
Biennial Renewals begin 12/01/02 (Section 332.181)		\$556,995	
<u>Cost</u> - DED-DPR			
Renewals not made 12/01/03 (Section 332.181)			(\$556,995)

ESTIMATED NET EFFECT TO DENTAL FUND	<u>\$0</u>	<u>\$556,995</u>	<u>(\$556,995)</u>
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FEDERAL FUNDS

<u>Income</u> - Department of Social Services (DOS)			
Medicaid Reimbursements* (Section 332.311)	Unknown	Unknown	Unknown
<u>Cost</u> - DOS			
Medical assistance payments* (Section 332.311)	(Unknown)	(Unknown)	(Unknown)
<u>Income</u> - DOS			
Medicaid Reimbursements* (Section 167.181)	Unknown	Unknown	Unknown

Cost - DOS

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Medical assistance payments - expansion of access to dental services * (Section 167.181)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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*** Total income and expenditures
 expected to exceed \$489,000 annually,
 with a net effect of zero**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses (health care givers) would expect to be fiscally impacted to the extent they would benefit from loans and loan repayments as a result of the requirements of this proposal.

DESCRIPTION

DENTAL CARE FOR CHILDREN - Section 167.181 and 192.070

Section 167.181, RSMo, currently requires children to be immunized. This legislation allows a physician to administer the appropriate fluoride treatment to a child during an immunization visit. Under Section 192.070, RSMo, the Bureau of Child Hygiene must issue educational literature. This proposal requires the inclusion of the importance of routine dental care for children in the materials.

DESCRIPTION (Continued)

LMD:LR:OD (12/00)

GRATUITOUS DENTAL SERVICES - 332.072

This act expands provisions regarding gratuitous dental services. Currently, Section 332.072, RSMo, allows dentists or dental hygienists to provide gratuitous dental services to a summer camp for no more than fourteen days per year. This act removes the restriction to summer camps.

DEPARTMENT OF HEALTH FUNDING-DENTISTS - Sections 191.211, 191.213, 191.411

This proposal would remove language prohibiting the use of general revenue funds for certain health care programs and initiatives. The proposal would allow any other funds to be used for these health care programs and initiatives. The proposal would also require the Director of the Department of Health to include dentists in the development and implementation of a plan to provide a system of coordinated health care services accessible to all persons in rural and urban areas of Missouri, particularly areas designated as health resource shortage areas. Currently, dentists are not included in the plan to attract health care practitioners to these areas.

HEALTH PROFESSIONAL STUDENT LOAN REPAYMENT PROGRAM - Sections 191.600 to 191.615

This proposal would rename the Medical School Loan Repayment Program as the Health Professional Student Loan Repayment Program and expands its scope to include dentists. The criteria for areas of defined need would be revised to remove the patient ratios, poverty and age percentages, and distance requirements to hospitals and would be replaced with designation as shortage areas by the U.S. Department of Health and Human Services or a determination of extraordinary need by the Director of the Department of Health. The maximum amount of repayment assistance would be revised from its current level of \$20,000 per year of obligated service to an amount not exceeding the maximum allowed under the National Health Service Corps Repayment Program. For students who breach their service obligation contracts, the penalty would be changed from \$500 per month of service not completed to include damages incurred by the Department of Health resulting from the breach and legal fees and costs incurred in the collection of damages.

DONATED DENTAL SERVICES PROGRAM - Section 332.324

A donated dental services program is established for certain eligible persons. The Department of Health may contract with the Missouri Dental Board or other organizations to provide certain

DESCRIPTION (Continued)

free dental services to eligible needy, disabled, elderly, and medically-compromised individuals. The administering organization must submit an annual report to the Department and the Department must establish eligibility criteria.

DENTAL HYGIENISTS - 332.086 and 332.311

A five member Advisory Commission for Dental Hygienists is established to make recommendations to the Missouri Dental Board. It shall include the dental hygienist currently serving on the Dental Board. All members shall be appointed by April 1, 2002.

Currently, dental hygienists are prohibited from practicing without the supervision of a dentist. This act creates an exception by allowing a dental hygienist practicing in a public health setting to provide fluoride treatments, teeth cleaning, and sealants to children who are eligible for Medicaid. These procedures may be done without the supervision of a dentist. Medicaid shall reimburse all dentists, dental hygienists and pediatricians who provide the above services at seventy-five percent of the usual and customary cost, which will be determined by the Division of Medical Services. Public health settings will be defined jointly by the Department of Health and the Missouri Dental Board. This provision will expire on August 28, 2006.

In addition, section 332.311.2 would require Medicaid to reimburse any eligible provider who provides fluoride treatments, teeth cleaning, and sealants provided to eligible children. DOS estimates the total fiscal impact to be unknown but greater than \$100,000.

DENTAL BOARD DUTIES REGARDING LICENSING OF DENTISTS AND DENTAL HYGIENISTS - Sections 332.181, 332.261, 332.321

This bill contains provisions regarding the powers and duties of the State Dental Board:

- 1) No person may practice dentistry or dental hygiene without being duly licensed.
- 2) Applications for licensure will be valid for one year; applications are void if not completed within that period.
- 3) After December 1, 2002, all licenses are valid for 2 years.
- 4) The board is given the authority to set continuing education requirements and provides exemptions under certain circumstances.

DESCRIPTION (Continued)

5) An inactive status is established for dental hygienists. Persons placing themselves on the list may not practice dental hygiene. Those inactive licensees wishing to become active must apply for licensure and pay fees for the years between becoming inactive and the issuance of the current license. Those persons inactive for 4 years or longer must apply in the same manner as an original applicant.

6) The board, at its discretion, may revoke licenses for a period from 2 to 7 years.

When the board feels that a licensee is a danger to the public and files a complaint with the Administrative Hearing Commission, the commission has 15 days to determine whether the activities of the licensee constitute a danger to the public and take the appropriate action.

FEDERALLY QUALIFIED HEALTH CENTERS - Section 660.026

This proposal would allow the Director of the Department of Social Services, or a designee, to contract with and to provide funding support to federally qualified health centers in Missouri, as defined in 42 U.S.C., Section 1396d(1)(2)(B). Funding support would be subject to appropriations. The funding would be required to be used to assist the health centers in ensuring the provision of health care and dental care to needy persons in Missouri. The funds could also be used by the health centers for capital expansion, infrastructure redesign, or other similar uses if federal funding is not available for such purposes.

STATE LEGAL DEFENSE FUND

This section would include dental services under those covered pursuant to 105.711, RSMo -- "Dental primary care and preventive health services as authorized in 105.711, RSMo, shall include examinations, cleaning, fluoride treatment, application of sealants, placement of basic restorations and emergency treatment to relieve pain."

The bill contains an emergency clause pertaining to the following: fluoride treatments and immunizations; dental awareness for children; gratuitous dental services and dental hygienist services; dental hygienist services without the supervision of a licensed dentist; the Donated Dental Services Program; and funding for federally qualified health centers (Sections 167.181, 192.070, 332.072, 332.311, 332.321, 332.324).

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 Economic Development
Division of Professional Registration
Office of Administration
Administrative Hearing Commission
Missouri Consolidated Health Care Plan
Office of Secretary of State
Department of Insurance
Department of Social Services
Division of Medical Services
Department of Mental Health
Department of Transportation
Department of Conservation
Department of Health
Office of State Treasurer
Office of the Attorney General



Jeanne Jarrett, CPA
Director

May 23, 2001