

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0412-01
Bill No.: HB 61
Subject: Public Assistance; Children and Minors; Transportation
Type: Original
Date: February 17, 2009

Bill Summary: This legislation establishes the Evan de Mello Reimbursement Program to provide financial assistance for the cost of transportation and ancillary services with the medical treatment of an eligible child.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown but Greater than \$333,599)	(Unknown but Greater than \$350,685)	(Unknown but Greater than \$355,207)
Total Estimated Net Effect on General Revenue Fund	(Unknown but Greater than \$333,599)	(Unknown but Greater than \$350,685)	(Unknown but Greater than \$355,207)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 191.940:

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 \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

Officials from the **Department of Social Services (DSS) - Mo HealthNet Division (MHD)** indicated there would be no fiscal impact to the DSS. MHD already provides certain transportation and ancillary services to MO HealthNet participants. Any services provided by Department of Health and Senior Services or Department of Mental Health under this program would be in addition to the services covered by MO HealthNet or would be for children who are not eligible for MO HealthNet. Therefore, there is no fiscal impact, positive or negative, to MHD.

Officials from the **Department of Mental Health (DMH)** states the DMH does not know how many children would need this type of transportation or how frequently they would need the transportation, so DMH assumes the fiscal impact is unknown cost greater than \$100,000 to DMH General Revenue.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DHSS)** estimates that an additional three FTE will be needed in order to establish this program:

- One Public Health Consultant Nurse (range 31, level H, \$49,104) to perform the following duties: develop the application and review process for program eligibility; perform the administration of the program; review the clinical material submitted by the physicians; prepare and respond to program inquiries; prepare program materials and website information; analyze statistics and prepare reports to upper management, other agencies and the public; and supervise the Health Program Rep III and Office Support Assistant positions.
- One Health Program Rep III (range 24, level G, \$37,296) to perform the following duties: assist the Public Health Consultant Nurse in the development of the rules and the development of the application and review process for the program implementation; assist in the administration of the program; assist in responding to program inquiries; assist in the preparation of program materials and website information; assist in analyzing program statistics and preparation of reports to upper management, other agencies, and the public.
- One Office Support Assistant - keyboarding (range 9, level E, \$21,984) to perform the following duties: provide support to both the PHCN and HPR III; perform general clerical functions such as typing, establishing and maintaining all program records, filing, phone support, etc.

The Department is unsure of the number of children that would qualify for the program; therefore the actual number of individuals that would be eligible for assistance is unknown. The proposed legislation states that the per-recipient dollar cap on benefits under the program "shall not be less than five thousand dollars per recipient". The Department is unable to estimate how much the reimbursement costs will be. The Department estimates 1,103,908 children under 350% FPL in Missouri. Should even 20 children reach this level of service, the Department would reach a service cost of \$100,000. Therefore, DHSS estimates an unknown cost, greater than \$100,000.

Expenses that would be considered unknown include: Postage >100 pieces; Overnight mailings; Printing (brochures, posters, pamphlets); Advertising services/costs; Promotional items; Program Distributions; Professional Services; Service Contracts; Computer Consultant Services; Legal

consultants/services; and Medical/dental consultant services.

ASSUMPTION (continued)

Staff costs to administer the program are estimated at \$187,322 in FY 2010, \$205,112 in FY 2011, and \$211,264 in FY 2012. In addition, the Department estimates an unknown cost in excess of \$100,000 for program costs; therefore the DHSS estimates a fiscal impact of (\$287,322 to Unknown) for FY 2010, (\$305,112 to Unknown) for FY 2011, and (\$311,264 to Unknown) for FY 2012.

Oversight assumes the DHSS could absorb a one Office Support Assistant FTE. Oversight has, for fiscal note purposes only, changed the starting salary for the DHSS positions to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

FISCAL IMPACT - State Government

FY 2010
(10 Mo.)

FY 2011

FY 2012

GENERAL REVENUE FUND

Costs - Department of Mental Health

Program Costs

(Unknown but
Greater than
\$100,000)

(Unknown but
Greater than
\$100,000)

(Unknown but
Greater than
\$100,000)

Costs - Department of Health and Senior Services

Personal Service

(\$72,697)

(\$89,854)

(\$92,550)

Fringe Benefits

(\$35,353)

(\$43,696)

(\$45,007)

Equipment and Expense

(\$25,549)

(\$17,135)

(\$17,650)

Program Costs

(Unknown but
Greater than
\$100,000)

(Unknown but
Greater than
\$100,000)

(Unknown but
Greater than
\$100,000)

Total Costs - DHSS

(Unknown but
Greater than
\$233,599)

(Unknown but
Greater than
\$250,685)

(Unknown but
Greater than
\$255,207)

FTE Change - DHSS

2 FTE

2 FTE

2 FTE

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

(Unknown but
Greater than
\$333,599)

(Unknown but
Greater than
\$350,685)

(Unknown but
Greater than
\$355,207)

Estimated Net FTE Change for General Revenue Fund

2 FTE

2 FTE

2 FTE

FISCAL IMPACT - Local Government

FY 2010
(10 Mo.)

FY 2011

FY 2012

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Section 191.940:

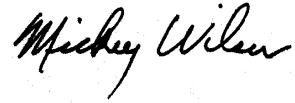
The proposed legislation establishes the Evan de Mello Reimbursement Program within the Departments of Health and Senior Services and Mental Health to provide financial assistance for the cost of transportation and ancillary services associated with the medical treatment of an eligible child. The program is the payer of last resort after all other available sources have been exhausted, and reimbursement is subject to appropriations. To be eligible for assistance under the program, a child must be suffering from a condition or impairment that results in severe physical illness or impairments, in need of transportation or ancillary services due to his or her condition, certified by a physician of the child's choice as a child who will likely benefit from medical services, and required to travel at least 100 miles for medical services which the child's parents or guardian are unable to pay the travel expenses. The Departments must establish rules which include an application and review process, a cap on benefits that cannot be less than \$5,000 per recipient, and a household income eligibility limit which cannot exceed 350% of the federal poverty level.

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 Mental Health
Department of Health and Senior Services
Department of Social Services
Office of the Secretary of State

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 17, 2009