

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2073-01  
Bill No.: HB 839  
Subject: Health Care; Health Care Professionals; Insurance-Medical; Nurses  
Type: Original  
Date: April 20, 2009

---

Bill Summary: This legislation establishes the standard of care for persons with bleeding disorders.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown but Less than \$50,000)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown but Less than \$50,000)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

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

\* Income and costs of approximately Unknown but less than \$50,000 in FY 10 and Unknown in FY 11 and FY 12 would net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

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

## FISCAL ANALYSIS

### ASSUMPTION

#### **Sections 208.152, 338.400 & 376.1280:**

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 Health and Senior Services (DHSS)** states the Department has determined that these additional services would not be part of the Home and Community-Based (HCB) Services Program. In order to be eligible for HCB, the individual is required to have a need at the level of care of a nursing facility. The Department has determined that if a clotting disorder is the individuals only medical problem, that level of care would not be met. In addition, these services would not be included in the Home and Community-Based Waiver. The Department assumes that the Department of Social Services will calculate the fiscal impact associated with the cost of these additional services and the cost of any administrative hearings regarding denial of claims.

Officials from the **Department of Social Services** state section 208.152 requires MO HealthNet coverage for:

- blood-clotting products;
- home delivery including emergency deliveries of such products and the equipment necessary to administer the products; and
- in-home assessments conducted by pharmacists, nurses or local home health care agencies.

ASSUMPTION (continued)

Currently, MO HealthNet covers these products and equipment for participants with bleeding disorders. However, there is no separate payment for home delivery. These types of products are mail-ordered and the delivery costs are part of the cost of doing business for the pharmacy. It is assumed that in cases where a participant needs home delivery the pharmacy will absorb that cost.

MO HealthNet covers skilled nurse visits in the home for those participants who meet the definition of "home-bound" under the Home Health program. It is assumed that these visits would fulfill the requirement for an in-home assessment.

There are approximately 370 MO HealthNet participants with Hemophilia or von Willebrand disease. Only 5% (19) would meet the definition of "home-bound" while 95% (351) would not and would be considered ambulatory.

The Medicaid capped rate for a skilled nurse visit through the Home Health program is \$64.15. Pharmacists currently do not provide in-home visits through this program. Since anyone who is already in the Home Health program may receive skilled nurse visits there will not be any additional fiscal impact for those participants.

It is assumed that ambulatory participants who do not meet the definition of "home-bound" would receive their in-home nurse assessments through the Home and Community Based services program in the Department of Health and Senior Services. That cost would not be incurred by the MHD.

There is no fiscal impact to the MHD for this section.

Since Section 338.400 affects the Board of Pharmacy there is no fiscal impact to the MHD.

Section 376.1280 revises Chapter 376, RSMo. The MO HealthNet Division (MHD) assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants.

MHD recognizes there may be additional costs of doing business for HMOs if this legislation passes and that those costs may be passed on to the MHD. MHD may incur additional costs for an actuarial analysis to determine if capitated rates should be adjusted for the additional costs incurred by the HMO.

ASSUMPTION (continued)

If an actuarial analysis is needed it will occur in the first year and is a one-time cost. The cost of the analysis will depend on the complexity of the changes. This cost is unknown but may be as high as \$100,000. Since this is an administrative cost there will be a 50% federal match rate.

If the HMOs are required to provide additional benefits and the MHD's current rates don't support those costs, the actuary may require an increase in capitated rates to ensure actuarial soundness.

If this occurs the cost to the MHD is unknown. These additional costs would occur in the second and third years.

FY10: Total cost is unknown < \$100,000 (GR unknown < \$50,000)  
 FY11: Total cost is unknown  
 FY12: Total cost is unknown

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** have not responded to Oversight's request for fiscal information.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department Social Services</u>			
Program Costs	<u>(Unknown but Less than \$50,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown but Less than \$50,000)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

**FEDERAL FUNDS**

Income - Department of Social Services

Federal Assistance	Unknown but Less than \$50,000	Unknown	Unknown
--------------------	--------------------------------------	---------	---------

Costs - Department of Social Services

Program Costs	<u>(Unknown but Less than \$50,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---------------	---	------------------	------------------

**ESTIMATED NET EFFECT ON  
FEDERAL FUNDS**

**\$0                      \$0                      \$0**

FISCAL IMPACT - Local Government

FY 2010 (10 Mo.)	FY 2011	FY 2012
<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small businesses that provide home services which include those related to treatment of blood clotting disorders may see an increase in the number of requests for services and the amount of MO HealthNet reimbursement.

FISCAL DESCRIPTION

**Sections 208.152, 338.400 & 376.1280:**

The proposed legislation establishes the standard of care for persons with bleeding disorders and requires the State Board of Pharmacy within the Department of Insurance, Financial Institutions and Professional Registration to establish rules governing the standard of care. Blood clotting product-related services are added to the list of covered services under the MO HealthNet Program; and all health benefit plans delivered, issued, continued, or renewed on or after August 28, 2009, are required to provide coverage for home nursing services associated with chronic bleeding disorders reliant on blood clotting products.

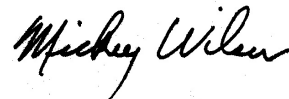
FISCAL DESCRIPTION (continued)

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

SOURCES OF INFORMATION

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

**Not Responding: Department of Insurance, Financial Institutions and Professional Registration**



Mickey Wilson, CPA  
Director  
April 20, 2009