

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5726-02
Bill No.: HB 1854
Subject: Crimes and Punishment; Health Dept.; Health Care; Medicaid
Type: Original
Date: March 19, 2012

Bill Summary: Increases the surcharge for the brain injury fund and requires fifty percent of all moneys in the fund to be used for brain injury services under the MO HealthNet program upon the granting of a federal waiver.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$29,160)	(\$30,545)	(\$30,878)
Total Estimated Net Effect on General Revenue Fund	(\$29,160)	(\$30,545)	(\$30,878)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Brain Injury	\$1,875,000 or \$3,000,000	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,875,000 or \$3,000,000	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Revenues and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	0.5	0.5	0.5
Brain Injury	0	2.5	2.5
Federal	0.5	3	3
Total Estimated Net Effect on FTE	1	6	6

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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA), Department of Elementary and Secondary Education , Department of Mental Health, Department of Corrections, Office of State Treasurer, St. Louis County, City of Columbia and City of Kansas City** assume the proposal will have no fiscal impact on their organizations.

Officials from the **OA - Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP. However, this proposal increases the surcharge on all criminal cases including county ordinance violations and state criminal and traffic law violations and infractions from \$2 to \$10 to the credit of the Brain Injury Fund. This proposal would increase Total State Revenues by an unknown amount and impact the Article X, Section 18(e) cap. The BAP defers to the Department of Health and Senior Services for an estimate of increased revenue.

Officials from the **Office of State Courts Administrator (CTS)** state the proposed legislation would allow a \$10 surcharge for the Brain Injury Fund to be assessed on all criminal and traffic cases, including infractions. Currently a \$2 surcharge is allowed.

In FY 11, \$596,566 was collected on this surcharge. The CTS anticipates the additional revenue from an increased \$10 surcharge would be approximately \$2,386,264, for a total in any given year of \$2,982,830.

Officials from the **Department of Health and Senior Services (DHSS)** provide the following assumptions:

304.028

Of the total revenues collected, \$1,875,000 (50% of \$3,750,000) would be used for the state match for the brain injury waiver and the remaining revenues of \$1,875,000 would be used by the Adult Brain Injury (ABI) Program. The waiver will not have any expenses in FY 13 because the waiver cannot be administered until the application is written and approved by the Centers for Medicare and Medicaid Services (CMS). The current DHSS ABI Program Manager would manage the waiver program. An additional 5 FTE would be required to implement and manage the brain injury waiver statewide, including 2 Public Health Nurses (\$40,212 each, annually) to provide service coordination and authorization of waiver services, statewide implementation, and home visits; 1 Health Program Representative (HPR) III (\$37,296 annually) and 1 HPR II

ASSUMPTION (continued)

(\$33,420 annually). The HPR III and HPR II would perform functions related to referral management, provider relations, prior authorization processing, quality assurance, performance management, data analysis, fiscal analysis and reporting; 1 Senior Office Support Assistant (\$24,576 annually) would support the program. All waiver services are calculated at a 40% state match/60% federal match. Administrative costs are calculated at 50% state match/50% federal match.

Oversight contacted CTS and DOH officials regarding the discrepancy between the income estimated for cases, including infractions, that would go to the Brain Injury Fund. CTS officials stated their information did not include municipal court cases and they were unable to obtain municipal court information. Based on CTS' response, **Oversight** assumes the difference between CTS' and DOH's revenue estimates to be the municipal court fees. **Oversight** will use the estimated income provided by DOH for this fiscal note.

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this proposal will create a new waiver. Each waiver generates the same amount of oversight requirements, which would require one full-time Program Development Specialist FTE for MHD. The activities this staff will have includes development of the waiver application, submission to the Centers for Medicare and Medicaid Services (CMS) of all applications, renewals and amendments to the waiver, tracking of data for all performance measures outlined in the waiver and ensuring the Department of Health and Senior Services (DHSS) is identifying problems and conducting proper remediation, quarterly quality assurance meetings, quarterly waiver record reviews, annual reporting of expenditures to CMS and compilation of evidence after the first 18 months of the waiver to show compliance with Home and Community Based Services assurances. Because the staff at DHSS who manage the Head Injury Fund are not familiar with the waiver process, much of the work will fall on MHD.

MHD assumes the proposal will have a fiscal impact for FY 13 of \$58,319 (\$29,160 GR/\$29,159 Federal funds; for FY 14 of \$61,092 (\$30,545 GR/\$30,547 Federal funds; and for FY 15 of \$61,756 (\$30,878 GR/\$30,878 Federal funds).

Based on discussions with DHSS and DSS personnel, **Oversight** assumes it may be possible for the federal waiver to allow moneys in the Brain Injury Fund to be used under the MO HealthNet program to be obtained during FY 13. As a result, **Oversight** is ranging available funds in the Brain Injury Fund from \$1,875,000 to \$3,000,000, to allow for the possibility of the granting of the waiver in FY 13.

This proposal will result in an increase in Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<i>§304.028</i>			
<u>Costs - DSS- MHD</u>			
Personal service costs	(\$15,540)	(\$18,834)	(\$19,023)
Fringe benefits	(\$8,227)	(\$9,971)	(\$10,071)
Equipment and supplies	(\$5,393)	(\$1,740)	(\$1,784)
Total <u>Costs</u> - DSS-MHD	<u>(\$29,160)</u>	<u>(\$30,545)</u>	<u>(\$30,878)</u>
FTE Change - DSS-MHD	0.5 FTE	0.5 FTE	0.5 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
	<u>(\$29,160)</u>	<u>(\$30,545)</u>	<u>(\$30,878)</u>
Estimated Net FTE Change for General Revenue Fund	0.5 FTE	0.5 FTE	0.5 FTE
BRAIN INJURY FUND			
<i>§304.028</i>			
<u>Income - DHHS</u>			
Increase in fine revenue	\$3,000,000	\$3,000,000	\$3,000,000
<u>Costs - DHHS</u>			
Personal services	\$0	(\$88,737)	(\$89,624)
Fringe benefits	\$0	(\$46,977)	(\$47,447)
Equipment and expense	\$0	(\$71,495)	(\$58,357)
ABI program services	\$0 or (\$1,125,000)	(\$1,125,000)	(\$1,125,000)
Brain Injury Waiver services	\$0	(\$1,667,791)	(\$1,679,572)
Total <u>Costs</u> - DHSS	<u>\$0 or (\$1,125,000)</u>	<u>(\$3,000,000)</u>	<u>(\$3,000,000)</u>
FTE Change - DHSS	0 FTE	2.5 FTE	2.5 FTE
ESTIMATED NET EFFECT ON BRAIN INJURY FUND			
	<u>\$1,875,000 or \$3,000,000</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for Brain Injury Fund	0 FTE	2.5 FTE	2.5 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
FEDERAL FUNDS			
<i>§304.028</i>			
<u>Income - DHSS</u>			
Program reimbursement	\$0	\$2,708,896	\$2,714,786
<u>Income - DSS-MHD</u>			
Program reimbursement	\$29,159	\$30,547	\$30,878
<u>Costs - DHSS</u>			
Personal service	\$0	(\$88,737)	(\$89,624)
Fringe benefits	\$0	(\$46,977)	(\$47,447)
Equipment and expense	\$0	(\$71,495)	(\$58,357)
Brain Injury Waiver services	<u>\$0</u>	<u>(\$2,501,687)</u>	<u>(\$2,519,358)</u>
Total <u>Costs - DHSS</u>	<u>\$0</u>	<u>(\$2,708,896)</u>	<u>(\$2,714,786)</u>
FTE Change - DHHS	0 FTE	2.5 FTE	2.5 FTE
<u>Costs - DSS-MHD</u>			
Personal service costs	(\$15,540)	(\$18,835)	(\$19,023)
Fringe benefits	(\$8,227)	(\$9,971)	(\$10,071)
Equipment and supplies	<u>(\$5,392)</u>	<u>(\$1,741)</u>	<u>(\$1,784)</u>
Total <u>Costs - DSS-MHD</u>	<u>(\$29,159)</u>	<u>(\$30,547)</u>	<u>(\$30,878)</u>
FTE Change - DSS-MHD	0.5 FTE	0.5 FTE	0.5 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on Federal Funds	0.5 FTE	3 FTE	3 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The availability of more revenues to pay for services could positively impact small business health care providers.

FISCAL DESCRIPTION

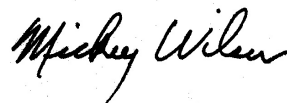
This proposal requires the Department of Health and Senior Services, in cooperation with the Department of Social Services, to seek waivers from the federal Department of Health and Human Services to allow moneys in the brain injury fund to be used under the MO HealthNet program to provide services.

This proposal also provides that in all criminal cases including violations of any county ordinance or any violation of criminal or traffic laws, including an infraction, there shall be assessed a surcharge of ten dollars. The surcharge collected shall be paid to the brain injury fund.

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

Office of Administration -
 Division of Budget and Planning
Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Office of State Treasurer
St. Louis County
City of Columbia
City of Kansas City



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Mickey Wilson, CPA
Director
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