

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0219-01
Bill No.: HB 370
Subject: Health Care; Education, Elementary and Secondary; Children and Minors;
Hospitals; Victims of Crime; Health and Senior Services Department; Pharmacy
Type: Original
Date: February 8, 2017

Bill Summary: This proposal establishes programs and services to increase preventative health care services in the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue*	(Less than \$600,100)	(Less than \$5,229,780)	(Less than \$5,229,779)
Total Estimated Net Effect on General Revenue	(Less than \$600,100)	(Less than \$5,229,780)	(Less than \$5,229,779)

* Provisions in 192.980.1 state DHSS will implement a women's health services program by July 1, 2018 (FY 19). Initial funding for the program will be \$5,000,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 13 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	4	4	4
Total Estimated Net Effect on FTE	4	4	4

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0 or (Unknown greater than \$100,000)	\$0 or (Unknown greater than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

§170.015 - Human sexuality in schools

Officials from the **Department of Elementary and Secondary Education (DESE)** state this section would require course materials to be based on peer reviewed projects that have been demonstrated to influence healthy behavior and be age appropriate. DESE is not aware of the existence of such peer review. Developing and administering a peer review process will result in unknown costs; however, DESE does not expect the costs to be significant.

Should the peer review indicate that new course materials and instruction will be required, school districts could incur significant costs to obtain and replace existing materials. DESE defers to school districts regarding the extent of those costs.

Officials from the **Seymour R-II Schools** assume the proposal would result in a \$500 cost to their school district for increased man hours to revise the curriculum in the public school.

Officials from the **Forsyth R-III Schools** and **Kirksville R-III School District** assume the proposal will have a negative fiscal impact on their school districts.

Officials from the **Pettis County R-XII School District** assume the proposal would have a limited fiscal impact on their school district.

Officials from the **Everton R-II School District**, the **Kansas City Public Schools** and the **West Plains Schools** each assume the proposal would not fiscally impact their respective agencies.

Oversight notes this proposal requires schools to provide human sexuality information that is factually accurate and based on peer-reviewed projects that demonstrate healthy behavior. Oversight assumes the creation of this peer reviewed information will have costs to DESE in the first year. Since the proposal does not specifically indicate when school districts will have to purchase the course materials and curriculum, if the peer review indicates new materials and instruction will be required, Oversight is presenting school district costs as \$0 or Unknown greater than \$100,000 in both FY 2018 and FY 2019 as it is unknown when districts will choose to purchase the course materials and curriculum.

§191.714 - Administrative penalties on health entities

Officials from the **Department of Health and Senior Services (DHSS)**, **Office of General Council (OGC)** state the provisions in this section require the department to impose an administrative penalty to any health entity that is not in compliance. It is unknown as to how

ASSUMPTION (continued)

many violations would be reported due to this Act which would require an administrative penalty. The cost of this to the OGC is unknown as it cannot be determined how many penalties will take place. It is assumed to be under \$100,000 annually.

Oversight assumes the penalties to be of an unknown, minimal amount and is not including the administrative penalties for fiscal note purposes.

Officials from the **DHSS, Director's Office, Office on Women's Health** state DHSS would develop, prepare, and produce informational materials related to emergency contraception for the prevention of pregnancy that comply with the requirements of the proposed legislation. The informational materials would be made available on the department's website for access by all hospital and health care facilities.

§192.980 - Women's Health Services

Officials from the **DHSS** state the Division of Community and Public Health programs cover: breast and cervical cancer checks; screening and treatment for STIs, HIV screening; patient education and pre-pregnancy counseling on the dangers of smoking, alcohol, and drug use during pregnancy; and prenatal and other health care referrals. DHSS, Office on Women's Health (OWH) provides education on sexual coercion and violence in relationships. However, it is assumed that services available under the Women's Health Services Program would only be available to women who are not eligible for services provided under these programs currently.

DHSS officials state that section 192.980 creates a Women's Health Services Program. DHSS assumes these services would only be available to women that have no other payment source for the specified interventions and thus expanding the number of individuals receiving services provided by the Show Me Healthy Women Program; HIV/STD/AIDS Program; Community Health and Wellness/Tobacco Program; Home Visiting Program; and OWH's Sexual Violence Prevention Program, currently administered by DHSS. For efficiency and assurance of quality services, funding would be added to existing contracts with the Department to provide the current services for the individuals who will be eligible under the Women's Health Services Program. The eligibility requirements and different services that would be provided under the Women's Health Services Program are unclear; however, with consideration given to the large menu of proposed services and the pricing for these services (in particular breast and cervical cancer checks, screening and treating sexually transmitted diseases, and infertility treatments), it is projected the total cost of services that could be provided could exceed the full balance of the \$5,000,000 appropriation by the end of the first full year of the program which would be FY 2019. This could result in the need to stop providing services before the end of the fiscal year or additional funding would be necessary.

ASSUMPTION (continued)

- Breast and cervical cancer checks: The current reimbursement rates used in the Show Me Healthy Women program are the rates being used for this assumption. These rates are based on the allowable Medicare rate for Missouri. All services are provided on an out-patient basis. The current cost for an initial visit for a breast and cervical cancer check is \$269/client. This cost covers the office visit, pelvic exam, clinical breast exam, screening mammogram, pap test, and cytopathology reading. The current cost for an annual visit after the initial visit would be \$234/client.
- Screening and treatment for sexually transmitted diseases (based on the Medicaid Fee Schedule): Screening for chlamydia and gonorrhea is estimated at \$73.94/client for the combo test. The estimated costs for syphilis screening is \$5.50/client. If this test returns a positive result, a titer and confirmatory test are required at an estimated cost of \$5.50 and \$13.94, each per client.
- HIV Screening: The estimated cost for HIV screening is \$29.34/client. If this test returns a positive result, a second test is required at an estimated cost of \$25.43/client (Western Blot, reflex on a screen reactive).
- Voluntary choice of contraception, including natural family planning: This includes all inclusive family planning at a cost of \$40/client (based on Medicaid reimbursement rates).
- Infertility treatment: Currently there are no programs in DHSS providing services for infertility treatment. According to the American Society of Reproductive Medicine (ASRM), the average price of an in vitro fertilization (IVF) cycle in the U.S. is \$12,400. (ASRM does not qualify if this includes medications.) The National Infertility Association reports the following average cost per cycle/procedure: intrauterine insemination (IUI) cycle: \$865; vitro fertilization (IVF) cycle using fresh embryos (not including medications): \$8,158; additional cost of intracytoplasmic sperm injection (ICSI) procedure: \$1,544; and additional cost of preimplantation genetic diagnosis (PGD) procedure: \$3,550. (Note: Medications for IVF are \$3,000- \$5,000 per fresh cycle on average.)
- Patient education and pre-pregnancy counseling on the dangers of smoking, alcohol, and drug use during pregnancy: The cost of this per hour would be similar to the cost of natural family planning costing \$40/client.

ASSUMPTION (continued)

- Education on sexual coercion and violence in a relationship: It is estimated the average amount of time that would be spent for this education would be one hour per client. Again, it is estimated the hourly cost would be \$40/client.
- Prenatal and other referrals: The cost of these referrals would be included in the DHSS program activities of the Women's Health Services Program.

To ensure implementation by July 1, 2018, DHSS would require the following:

One Public Health Consultant Nurse (PHCN) (\$54,192 annually) to identify qualified health providers who would be able to provide these comprehensive services. The PHCN would collect data on the number and types of services provided to evaluate program effectiveness. From the data collected, the program would be able to compare rates of STIs, HIV, late entry into prenatal care, unintended pregnancy, infant mortality, domestic violence, smoking, alcohol, and drug use during pregnancy with rates prior to the implementation of this program to assess outcomes.

One Health Educator III (\$41,184 annually) to work with the program on the choice and development of patient education and pre-pregnancy counseling materials on the dangers of smoking, alcohol, and drug use during pregnancy; the education on sexual coercion and violence in relationship; and to work with other staff in the development of the brochures.

One Health Program Representative III (\$39,708 annually) to provide support to the PHCN in data collection and assimilation, contract development and monitoring, invoice processing, and contractor communication.

One Senior Office Support Assistant (\$26,340 annually) for clerical support to staff, including all communication and document development and mailing.

In summary the DHSS estimates the fiscal impact of this proposal on the General Revenue Fund to be a cost unknown, but less than \$418,883 for FY 2018; a cost unknown, but less than \$5,129,780 for FY 2019; and a cost unknown, but less than \$5,129,779 for FY 2020.

Oversight notes the DHSS indicated it will need rental space in Jefferson City for 4 FTE plus possibly an unknown number of General Counsel FTE. Costs for the 4 FTE are estimated at \$19,320 annually (4 FTE X 230 sq. ft./FTE X \$21 per sq. ft.). Based on information provided by the **Office of Administration, Division of Facilities Management, Design and Construction** for other proposals from the current year, additional space in leased facilities for new staff for agencies in the Cole County area is estimated at 230 sq. ft. per FTE times \$17.50 per sq. ft., or

ASSUMPTION (continued)

\$4,025 annually per FTE. This cost includes building lease costs, fuel and utilities, and janitorial services. If a larger space were needed, the space was needed in other regions of the state, or newly constructed space if required, the estimated costs would be higher cost per sq. ft. (estimated at \$24.50 per sq. ft.). Therefore, Oversight will reduce rental costs estimated for this fiscal note. In addition, contract costs estimated by DHSS for the Women's Health Services Program will be increased to offset the reduction in rental expenses as more funds will be available to provide services.

Officials from the **OA, Office of the Commissioner/Alternatives to Abortion Program (A to A Program)** state the Alternatives to Abortion program, authorized under 188.325, RSMo, provides services such as patient education relating to smoking and drug and alcohol use during pregnancy, and education on sexual coercion and violence in relationships. Additionally, the program makes prenatal health care referrals. Section 192.980 has the potential to duplicate these services.

The OA, A to A Program officials provide that access to contraception and increased knowledge of sexual health and contraception have the potential to reduce unplanned pregnancies; however, it is unknown how many fewer women will seek A to A Program services as a result of these measures.

Oversight assumes, based on DHSS' assumption that "it is projected the total cost of services that could be provided could exceed the full balance of the \$5,000,000 appropriation by the end of the first full year of the program" that the A to A Program will not see a significant reduction in the number of women seeking services from the program.

Bill as a whole

Officials from the **Office of Attorney General (AGO)** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, the Department of Social Services, Division of Legal Services, the Division of Youth Services, and the MO HealthNet Division and the OA, Information Technology Services Division** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

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.

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kansas City, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials from the following **counties**: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, Dekalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne, Webster and Worth did not respond to **Oversight's** request for fiscal impact.

Officials from the following **health departments**: Audrain County Health Unit, Cass County Health Department, Clay County Public Health Center, Cooper County Public Health Center, Henry County Health Center, Hickory County Health Department, Howell County Health Department, City of Independence Health Department, Jefferson County Health Department, Knox County Health Department, Linn County Health Department, McDonald County Health Department, Madison County Health Department, Marion County Health Department, Miller

ASSUMPTION (continued)

County Health Center, Morgan County Health Center, Nodaway County Health Center, Platte County Health Department, Polk County Health Center, Pulaski County Health Center and Home Health Agency, Randolph County Health Department, Reynolds County Health Center, Ripley County Health Center, Shelby County Health Department, the St. Francois County Health Center and the St. Joseph Health Department did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **school districts**: Arcadia Valley R-2, Avilla R-13, Bakersfield R-4, Belton School District #124, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Fair Grove, Fair Play, Fayette R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal School District #60, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-2, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville School District #9, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pierce City R-6, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-5, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Shell Knob #78, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville R-IV, Westview C-6 and the Wright City R-2 School District did not respond to **Oversight's** request for fiscal impact.

Officials from the following **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cass Regional Medical Center, Cedar County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Hospital, Golden Valley Memorial Hospital, Hermann Area District Hospital, Samaritan Hospital, Putnam County Memorial Hospital, the University of Missouri Health System and Washington County Memorial Hospital did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Costs - DESE (§170.015)</u>			
Creation of peer review materials and curriculum	(Less than \$100,000)	\$0	\$0
<u>Costs - DHSS (§191.714)</u>			
Additional legal expenditures	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Costs - DHSS (§192.980)</u>			
Personal service	(\$234,520)	(\$263,038)	(\$264,668)
Fringe benefits	(\$104,200)	(\$119,565)	(\$120,050)
Equipment and expense	(\$61,380)	(\$53,977)	(\$55,327)
Contract costs	\$0	(\$4,693,200)	(\$4,689,734)
Total <u>Costs</u> - DHSS	(\$400,100)	(\$5,129,780)	(\$5,129,779)
FTE Change - DHSS	4 FTE	4 FTE	4 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND*	<u>(Less than \$600,100)</u>	<u>(Less than \$5,229,780)</u>	<u>(Less than \$5,229,779)</u>

* Provisions in 192.980.1 state DHSS will implement a women's health services program by July 1, 2018 (FY 19). Initial funding for the program will be \$5,000,000.

Estimated Net FTE Change on the General Revenue Fund	4 FTE	4 FTE	4 FTE
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FISCAL IMPACT - Local Government

FY 2018
 (10 Mo.)

FY 2019

FY 2020

LOCAL GOVERNMENTS - SCHOOL DISTRICTS

Costs - School Districts (§170.015)

Purchase of peer review materials and curriculum

<u>\$0</u>	<u>\$0 or (Unknown</u> <u>greater than</u> <u>\$100,000)</u>	<u>\$0 or (Unknown</u> <u>greater than</u> <u>\$100,000)</u>
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ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS - SCHOOL DISTRICTS

<u>\$0</u>	<u>\$0 or</u> <u>(Unknown</u> <u>greater than</u> <u>\$100,000)</u>	<u>\$0 or</u> <u>(Unknown</u> <u>greater than</u> <u>\$100,000)</u>
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FISCAL IMPACT - Small Business

§192.980 - This proposal will allow small business health care providers to contract as providers under a Missouri Women's Health Services program.

FISCAL DESCRIPTION

This bill changes the laws regarding sex education in public schools, establishes the Compassionate Assistance for Rape Emergencies (CARE) Act and the Birth Control Protection Act, requires the development of a women's health care program, and establishes procedures for pharmacies dispensing prescriptions and over-the-counter medicines in certain situations.

SEX EDUCATION IN PUBLIC SCHOOLS (Section 170.015, RSMo)

The bill requires any course materials and instruction relating to human sexuality and sexually transmitted diseases to be based on peer-reviewed projects that have been demonstrated to influence healthy behavior, be age appropriate, and meet criteria specified in the bill.

FISCAL DESCRIPTION (continued)

COMPASSIONATE ASSISTANCE FOR RAPE EMERGENCIES (CARE) ACT (Sections 191.713 - 191.714)

The Department of Health and Senior Services must: (1) Produce informational materials regarding emergency contraception for the prevention of pregnancy for distribution in any health care facility; and (2) Respond to complaints and periodically perform compliance checks on emergency health care facilities. If a facility is not in compliance, the department will impose a \$5,000 administrative penalty for each woman who is denied the informational materials or who is not offered emergency contraception and a \$5,000 administrative penalty for failure to comply with the provisions of the bill with an additional \$5,000 penalty for every 30 days of noncompliance.

WOMEN'S HEALTH SERVICES PROGRAM (Section 192.980)

Subject to appropriation, the Department of Health and Senior Services must implement a women's health services program by July 1, 2018, through qualified health providers to reduce the number of unintended pregnancies. The initial funding for the program will be \$5 million. The services will include certain health screenings, treatments, and referrals; family planning services; and education.

The provisions regarding the Women's Health Services Program will expire six years after the effective date.

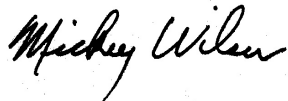
This legislation is not federally mandated, would not duplicate any other program and will require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Social Services -
 Division of Legal Services
 Division of Youth Services
 MO HealthNet Division
Joint Committee on Administrative Rules

SOURCES OF INFORMATION (continued)

Office of Administration -
 Commissioner's Office/Alternatives to Abortion Program
Office of Secretary of State
Callaway County
Mississippi County
Columbia/Boone County Department of
 Public Health and Human Services
Harrison County Health Department & Hospice
Everton R-III School District
Forsyth R-III Schools
Kansas City Public Schools
Kirksville R-III School District
Pettis County R-XII School District
Seymour R-II Schools
West Plains Schools



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February 8, 2017

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