

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0286-01
Bill No.: Perfected HB 58
Subject: Health Care; Health and Senior Services Department; Hospitals; Children and Minors
Type: Original
Date: February 15, 2017

Bill Summary: This proposal requires the Department of Health and Senior Services to establish criteria for levels of maternal and neonatal care designations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$83,798)	(\$93,979)	(\$94,968)
Total Estimated Net Effect on General Revenue	(\$83,798)	(\$93,979)	(\$94,968)

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 6 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	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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	\$0

FISCAL ANALYSIS

ASSUMPTION

§192.380 - Maternal and neonatal care designations

Officials from the **Department of Health and Senior Services (DHSS)** state in order to carry out the responsibilities assigned to DHSS under section 192.380, the Division of Community and Public Health would need to hire a Research Analyst IV/Planner III (\$46,056 annually). The responsibilities of this position would include:

- Plan and conduct the public hearings in various geographic locations of the state;
- Analyze information from the public hearings and compile hearing report;
- Establish the levels of maternal and neonatal care designations;
- Establish the reporting mechanism for birthing facilities to report these designations annually;
- Create a database system to analyze the data and verify the level of designation reported;
- Follow-up with facilities to provide technical assistance and obtain any clarification required following reporting;
- Promulgate the rules;
- Update rules, reporting forms, and database as changes to the national level of care occur; and,
- Ensure reporting by birthing facilities is completed at least annually and/or as the designation criteria change.

The DHSS estimates costs to the General Revenue Fund of \$87,823 for FY 18; \$98,930 for FY 19; and \$100,043 for FY 20.

Oversight assumes DHSS would not need additional rental space for one (1) new FTE for this single proposal. However, Oversight notes, depending on the number of proposals passed during the legislative session, that cumulatively, DHSS may need additional rental space or capital improvements as determined by the Office of Administration, Facilities Management, Design and Construction.

Officials from the **University of Missouri Health Care (UMHC)** have reviewed the proposed legislation and determined that the fiscal impact should not exceed \$100,000 annually.

Oversight assumes the costs incurred by the UMHC related to this proposal can be absorbed within current resource levels.

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.

ASSUMPTION (continued)

Officials from the **Cass Regional Medical Center** state their facility does not offer these services and therefore, there would be no fiscal impact to their organization.

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 **hospitals**: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Hospital, Excelsior Springs Hospital, Golden Valley Memorial Hospital, Hermann Area District Hospital, Samaritan Hospital, Putnam County Memorial Hospital 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 - DHSS (\$192.380)</u>			
Personal service	(\$46,713)	(\$56,617)	(\$57,183)
Fringe benefits	(\$21,069)	(\$27,169)	(\$27,337)
Equipment and expense	<u>(\$16,016)</u>	<u>(\$10,193)</u>	<u>(\$10,448)</u>
<u>Total Costs - DHSS</u>	<u>(\$83,798)</u>	<u>(\$93,979)</u>	<u>(\$94,968)</u>
FTE Change - DHSS	1 FTE	1 FTE	1 FTE
 ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	 <u>(\$83,798)</u>	 <u>(\$93,979)</u>	 <u>(\$94,968)</u>
 Estimated Net FTE Change on the General Revenue Fund	 1 FTE	 1 FTE	 1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The bill requires the Department of Health and Senior Services to seek broad public and stakeholder input during multiple hearings in diverse geographic regions of the state and then establish criteria for levels of maternal care designations and levels of neonatal care designations for birthing facilities based on specified criteria.

Beginning January 1, 2019, any hospital with a birthing facility must report to the department its appropriate level of maternal care designation and neonatal care designation as determined by the criteria specified under these provisions. The bill permits the department to partner with appropriate nationally recognized professional organizations with demonstrated expertise in

FISCAL DESCRIPTION (continued)

maternal and neonatal standards of care to administer these provisions. The criteria for levels of maternal and neonatal care developed under the provisions of the bill must not include pregnancy termination or counseling or referral for pregnancy termination.

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
Joint Committee on Administrative Rules
Office of Secretary of State
University of Missouri
Cass Regional Medical Center



Mickey Wilson, CPA
Director
February 15, 2017

Ross Strobe
Assistant Director
February 15, 2017