

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0966-01  
Bill No.: HB 297  
Subject: Professional Registration and Licensing; Dentist  
Type: Original  
Date: January 20, 2017

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Bill Summary: This proposal expands the scope of practice for dental hygienists.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$611,594)	(\$732,774)	(\$762,817)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$611,594)</b>	<b>(\$732,774)</b>	<b>(\$762,817)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Federal Funds*	\$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 expenses exceed \$1.3 million annually and net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DSS)** assume this proposal allows for an extended partnership agreement between dental hygienists and Missouri-licensed dentists. Dental hygienists would be allowed to provide services through this partnership agreement for approximately 25 dental codes.

In FY `16, the MO HealthNet Division (MHD) fee-for-service (FFS) program reimbursed providers \$5,440,966 for these 25 dental codes (123,307 units) for a cost per unit of \$44.13. MHD believes this increased access to dental providers would result in a 15% increase in utilization of these codes billed by dental hygienists or an increase of 18,496 units (123,307 \* 15%).

All prior year FFS expenditures represent costs for both the aged, blind, and disabled (ABD) population which will remain FFS in FY `18 as well as some custodial parents, children, and pregnant women who will be served under the MO HealthNet Managed Care program in FY `18. Based on total dental expenditures by eligibility group, MHD estimates 29% of the FY `16 FFS expenditures are attributed to the ABD population and 71% are attributed to the "managed care-like population" (i.e. individuals who will transition to statewide managed care effective May 1, 2017). Therefore, the total annual FFS utilization increase is estimated at \$236,682 for the ABD population (18,496 new units \* \$44.13 cost per unit \* 29%).

It is anticipated this change will also affect capitation payments in MO HealthNet Managed Care for an estimated 756,706 individuals that will be enrolled in FY `18 (503,817 current managed care enrollees + 252,889 individuals that will be transitioned to managed care before FY `18).

The total annual cost for the "managed care-like" population is \$579,463 based on FY `16 FFS expenditures (18,496 new units \* \$44.13 cost per unit \* 71%). This results in an increased cost per member of \$2.29 (\$579,463 managed care-like estimate when served in FFS / 252,889 managed care-like enrollees). Therefore, the total annual cost to MO HealthNet Managed Care program is estimated at \$1,732,857 (\$2.29 \* 756,706 managed care enrollees).

A one-time managed care actuarial study will also need to be performed in the first year to determine the actual rate impact. The study is anticipated to cost \$50,000 in FY `18.

The total annual estimate for both FFS and managed care is \$1,969,539 (\$236,682 + \$1,732,857). MHD assumes only 10 months of expenditures in FY `18 with an annual 4.1% trend added in FY `19 and FY `20.

ASSUMPTION (continued)

Cost

FY 18:  
\$611,594 (GR)  
\$1,079,688 (Federal)  
**\$1,691,282 (Total)**

FY19:  
\$732,774 (GR)  
\$1,317,516 (Federal)  
**\$2,050,290 (Total)**

FY20:  
\$762,817 (GR)  
\$1,371,535 (Federal)  
**\$2,134,352 (Total)**

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that the proposal requires the board to issue permits, which will require additional work for the board, but makes no mention of the board's authority to collect a fee. If the process to issue a permit and review the qualifications before issuing an extended care permit ends up being more than expected, additional expenses and/or FTE will be requested through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE</b>			
<u>Cost - DSS (§332.011 and 332.311)</u>			
Program Distributions	(\$586,594)	(\$732,774)	(\$762,817)
Actuarial Study	<u>(\$25,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost - DSS</u>	<u>(\$611,594)</u>	<u>(\$732,774)</u>	<u>(\$762,817)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$611,594)</u></b>	<b><u>(\$732,774)</u></b>	<b><u>(\$762,817)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**FEDERAL FUNDS**

<u>Income - DSS (§332.011 and 332.311)</u>			
Program reimbursements	\$1,079,688	\$1,317,516	\$1,371,535
<u>Cost - DSS (§332.011 and 332.311)</u>	(\$1,054,688)	(\$1,317,516)	(\$1,371,535)
Program Distributions			
Actuarial Study	<u>(\$25,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DSS</u>	<u>(\$1,079,688)</u>	<u>(\$1,317,516)</u>	<u>(\$1,371,535)</u>

**ESTIMATED NET EFFECT TO THE  
FEDERAL FUNDS**

<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

Dental Hygienists and Dentists may be affected fiscally.

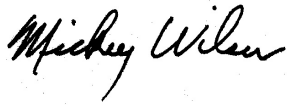
FISCAL DESCRIPTION

This proposal allows a dental hygienist to enter into an extended access agreement with a dentist in order to provide dental hygiene services without the direct supervision of the dentist. The dental hygienist can then perform certain services anywhere outside of the dental office so long as it is within a 60 mile radius. In order to enter into an extended access agreement, the dental hygienist must have practiced 2,000 hours within the previous five years, obtained a permit from the Missouri Dental Board, taken an additional six hours of continuing education, and be covered under his or her own professional liability insurance. The dental hygienist must also require all patients he or she treats under the extended access agreement to be examined by the dentist within one year.

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 Insurance, Financial Institutions and Professional Registration  
Department of Social Services

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

Mickey Wilson, CPA  
Director  
January 20, 2017

Ross Strobe  
Assistant Director  
January 20, 2017