

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1055-01
Bill No.: HB 332
Subject: Health, Public; Medical Procedures and Personnel; Mental Health
Type: Original
Date: February 15, 2017

Bill Summary: This proposal changes the laws regarding vaccines and disorder monitoring.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 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
Total Estimated Net Effect on FTE	0	0	0

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	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Columbia/Boone County Department of Public Health and Human Services (PHHS)** state this proposal would have unknown costs for communicable disease follow-up of an increase number of varicella outbreaks. It is impossible to know how many additional outbreaks will occur. However, given that this proposal will most likely lead to fewer children being appropriately vaccinated against varicella, it is expected that more children will contract the disease.

All varicella and shingles vaccines are derived from human cell lines so it appears this legislation will prohibit public health clinics from administering any varicella or shingles vaccines. This will result in a loss of revenue and cause inconvenience to local residents.

In 2016, PHHS administered 998 doses of varicella-containing vaccines and 57 doses of Zostavax (shingles) vaccine. PHHS collects a fee for administering each of these shots, approximately \$17,090 in 2016.

Since the bill would not become effective until August 28, 2018, PHHS extrapolated the FY18 impact based on 10 months. It is estimated the FY18 loss will be \$14,242 ($\$17,090/12 \text{ months} * 10 \text{ months}$); the FY19 estimated loss is expected to be \$17,261 and the FY20 loss is expected to be \$17,434 (losses increase by 1% annually).

Officials from the **Cooper County Public Health Center** estimate a revenue loss of a minimum of \$30,000 to \$50,000 annually for Cooper County alone. The amount of the revenue loss would be greater for large city and county health departments. It is estimated that the loss in revenue for the entire public health system of 114 counties plus city health departments would be in a range of \$3.5 million - \$7 million annually.

Officials from the **City of St. Joseph Health Department** responded to the fiscal note request but did not provide a statement of fiscal impact.

Oversight spoke with Department of Health and Senior Services (DHSS) officials and learned that the Vaccines for Children (VFC) Program is funded 100% through the federal Center for Disease Control (CDC) and provides free vaccinations in order for VFC providers to service children under age 19 who are Medicaid eligible, do not have health insurance, are underinsured (insurance coverage does not cover vaccinations) or are American Indian or Alaskan native. VFC providers include local public health departments (LPHAs), rural health clinics, federally qualified health clinics and any other public clinic as defined by the CDC. In addition, the DHSS provided that the vaccine is free, but VFC providers are able to charge a fee for administering the vaccine (between \$5-\$21.50 per vaccine), based on age, eligibility level, etc.

ASSUMPTION (continued)

Oversight assumes LPHAs will experience a loss in administration fee revenues should this proposal pass. Oversight will present an “Unknown” loss in revenues to local governments.

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Department of Social Services, MO HealthNet Division and Division of Legal Services** each assume the proposal would not fiscally impact their respective agencies.

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

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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LOCAL GOVERNMENTS - LOCAL PUBLIC HEALTH AGENCIES (LPHAs)

<u>Loss - LPHAs</u> (§141.239)			
Reduction in vaccination revenue	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS (LPHAs)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal may result in more vaccinations being provided by small business physician offices.

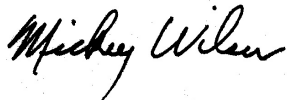
FISCAL DESCRIPTION

Beginning August 28, 2018, the bill requires that shingles vaccines administered to patients in public health clinics in Missouri must be vaccines that produce the highest available immune response and contain no foreign human DNA contaminants. The bill requires that chicken pox vaccines administered to patients in public health clinics must be vaccines that contain no foreign human DNA contaminants.

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 Mental Health
Department of Social Services -
 MO HealthNet Division
 Division of Legal Services
Columbia/Boone County Department of
 Public Health and Human Services
Cooper County Public Health Center
City of St. Joseph Health Department



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February 15, 2017

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