

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4046-01  
Bill No.: HB 1589  
Subject: Hospitals; Health and Senior Services Department; Physicians  
Type: Original  
Date: January 2, 2018

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Bill Summary: This proposal specifies that birthing centers shall not be required to employ a physician with hospital admitting privileges.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0	(\$99,021)	(\$96,985)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(\$99,021)</b>	<b>(\$96,985)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue	0	1	1
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>1</b>	<b>1</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>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §197.215 - Birthing centers not required to employ physician with hospital admitting privileges

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation would remove the requirement for birthing centers to have a physician on staff with hospital admitting privileges. Health Facilities Nursing Consultants (HFNC) within the Division of Regulation and Licensure (DRL) are responsible for the licensure, inspection, complaint investigations, and regulation of ambulatory surgical centers, abortion facilities, and birthing centers in Missouri.

With the removal of the licensing requirements of having a physician on staff with hospital admitting privileges, DRL assumes at least ten (10) birthing centers would apply for licensure. The increase in licensure applications would require one (1) HFNC (\$54,192 annually) to conduct the inspections, complaint investigations, and other licensure requirements established under Chapter 197, RSMo. This position is assumed to be a telecommuter and is expected to travel extensively. It is assumed the travel costs for this staff will be \$10,000 annually.

**Oversight** assumes it would take some time for 10 or more birthing centers to apply for licensure and become operational. Oversight assumes that current DHSS, DRL staff can absorb the duties of reviewing the initial licensure applications and conducting other required activities for FY 2019 and will reflect the additional FTE starting in FY 2020.

Officials from the **Department of Social Services** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DHSS (\$197.215)</u>			
Personal service	\$0	(\$54,734)	(\$55,281)
Fringe benefits	\$0	(\$27,044)	(\$27,206)
Equipment and expense	<u>\$0</u>	<u>(\$17,243)</u>	<u>(\$14,498)</u>
Total <u>Costs</u> - DHSS	<u>\$0</u>	<u>(\$99,021)</u>	<u>(\$96,985)</u>
FTE Change - DHSS	0 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>(\$99,021)</u></b>	<b><u>(\$96,985)</u></b>
Estimated Net FTE Change on the General Revenue Fund	0 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small business birthing centers could be directly impacted by this proposal.

FISCAL DESCRIPTION

This bill specifies that birthing centers shall not be required to have a physician on staff with hospital admitting privileges.

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

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SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Social Services

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Acting Director  
January 2, 2018