

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0724H.01I
 Bill No.: HB 283
 Subject: Health Care Professionals; Health And Senior Services, Department Of;
 Education, Higher
 Type: Original
 Date: January 6, 2021

Bill Summary: This proposal modifies provisions relating to the Health Professional Student Loan Repayment Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	\$0 to (Could exceed \$72,552)	\$0 to (Could exceed \$77,692)	\$0 to (Could exceed \$78,347)
Total Estimated Net Effect on General Revenue	\$0 to (Could exceed \$72,552)	\$0 to (Could exceed \$77,692)	\$0 to (Could exceed \$78,347)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> 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 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	0 or 1	0 or 1	0 or 1
Total Estimated Net Effect on FTE	0 or 1	0 or 1	0 or 1

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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§191.600, 191.603, 191.605, 191.607, and 191.614 – Health Professional Student Loan Repayment Program

Officials from the **Department of Health and Senior Services (DHSS)** state this proposal adds the health professions of psychologists, professional counselors, clinical social workers, and marital and family therapists to the Health Professional Loan Repayment Program (Program).

The DHSS, Division of Community and Public Health (DCPH) would anticipate an increase in application submissions should this bill be passed. One (1) FTE Public Health Program Specialist would be required to handle the increased number of applications and work with federal partners to add the additional disciplines to the program's eligibility. The salary for this position would be \$44,262, (GR) reflective of the salary of a Public Health Program Specialist in DHSS.

Additionally, a Health Professional Shortage Area (HPSA) designation does not exist for some of the proposed professions; therefore, an unknown amount of funding for the repayment program would come from general revenue.

In summary, DHSS assumes a cost to the General Revenue Fund of \$76,002 to Unknown for FY2022 to provide for the implementation of the changes in this proposal; and a cost of \$81,873 to Unknown for each FY2023 and FY2024.

Oversight obtained information from the DHSS website and the FY2022 budget request regarding the Health Professional Student Loan Repayment Program (Program). The Program provides up to \$50,000 in financial assistance to help professionals (practicing primary care medical and dental health professionals) reduce educational debt and practice in a **Health Professional Shortage Area (HPSA)** for two years. DHSS awarded loans to 16 individuals for FY2018; 18 loans for FY2019; and 25 loans for FY2020. DHSS anticipates awarding 22 loans in each FY2021 and FY2022.

DHSS officials stated the Program had approximately 40 to 45 applicants in each of the last 3 fiscal years (FY2018 - FY2020). For FY2019 and FY2020, 1 FTE was involved in processing the applications (frequently over 100 pages long with required supplemental documentation plus additional correspondence to ensure all required documentation was submitted).

DHSS officials provided information stating candidates are chosen based on the area of the state they intend to work. Candidates planning on working in areas with the highest Health Professional Shortage Area (HPSA) scores receive funding first and funds are distributed from highest to lowest HPSA scores until funds run out.

DHSS also indicated that funding for the program is composed entirely of Federal grant monies and donations (no General Revenue). The Federal grant portion of funding is anticipated to remain the same at \$425,000 per grant year. The Student Loan Repayment Program (SLRP) grant requires a 1:1 match. This has been matched with donated funds from the Missouri Hospital Association (MHA). For FY2021, DHSS received a MHA donation of \$400,000. This was reduced from \$500,000 in FY2019. There is no guarantee that this donation will continue for FY2022 and DHSS does not anticipate receiving additional funding.

Oversight assumes DHSS would not need additional rental space for up to 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.

Oversight assumes this proposal could increase the number of Program applicants. It is unknown whether General Revenue funds will be appropriated for those professions that do not currently have a HPSA designation. Therefore, for fiscal note purposes, Oversight will range DHSS costs from \$0 (no FTE added) to “Could exceed” the amounts provided by DHSS (less rental space costs) if the General Assembly appropriates funding for those professions that do not currently have a HPSA designation.

Officials from the **Department of Commerce and Insurance**, the **Department of Higher Education and Workforce Development** and the **Department of Mental Health** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Costs – DHSS</u> (§§191.600 – 191.614)	\$0 to Could exceed...	\$0 to Could exceed...	\$0 to Could exceed...
Personal service	(\$36,885)	(\$44,705)	(\$45,125)
Fringe benefits	(\$22,399)	(\$27,028)	(\$27,179)
Equipment and expense	(\$13,268)	(\$5,896)	(\$6,043)
Repayment program funding for non-HPSA	(Unknown)	(Unknown)	(Unknown)
<u>Total Costs – DHSS</u>	<u>\$0 to (Could exceed \$72,552)</u>	<u>\$0 to (Could exceed \$77,629)</u>	<u>\$0 to (Could exceed \$78,347)</u>
FTE Change – DHSS	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0 to (Could exceed \$72,552)</u>	<u>\$0 to (Could exceed \$77,629)</u>	<u>\$0 to (Could exceed \$78,347)</u>
Estimated Net FTE Change on the General Revenue Fund	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

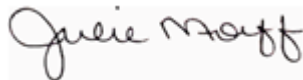
FISCAL DESCRIPTION

Under current law, the Health Professional Student Loan Repayment Program includes physicians, dentists, and chiropractors. This bill expands the Program to also include the mental health professionals; psychologists, professional counselors, clinical social workers, and marital and family therapists. The Department must designate areas of defined need for mental health services where additional services are needed to improve the patient-health professional ratio in the area. Mental health professional students will be liable for any amounts paid on their behalf if they fail to pursue clinical experience required for licensure or fail to become licensed within one year of completing the requirements necessary for licensure. (§§191.600, 191.603, 191.605, 191.607, and 191.614)


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 Commerce and Insurance
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health



Julie Morff
Director
January 6, 2021



Ross Strobe
Assistant Director
January 6, 2021