

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6011-01
Bill No.: HB 1853
Subject: Medical Procedures and Personnel; Health Care Professionals
Type: Original
Date: March 30, 2012

Bill Summary: Prohibits a vasectomy from being performed on a man unless it is to save his life or prevent substantial and irreversible physical impairment.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$30,560 to \$39,811	\$61,120 to \$80,270	\$61,120 to \$80,940
Total Estimated Net Effect on General Revenue Fund	\$30,560 to \$39,811	\$61,120 to \$80,270	\$61,120 to \$80,940

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Other State	\$7,220	\$14,440	\$14,440
Total Estimated Net Effect on <u>Other</u> State Funds	\$7,220	\$14,440	\$14,440

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Federal Funds	\$12,220	\$24,440	\$24,440
Total Estimated Net Effect on <u>All</u> Federal Funds	\$12,220	\$24,440	\$24,440

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Health and Senior Services, Missouri Department of Transportation, Department of Public Safety (DPS) - Missouri State Highway Patrol, DPS - Missouri Veterans Commission, Missouri Department of Conservation, and Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal will have no measurable fiscal impact on the OPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

Oversight assumes the potential responsibilities imposed on county prosecutors as a result of this proposal, will be absorbable within current funding and staffing levels.

Officials from the **Department of Corrections (DOC)** state the penalty provisions for violations, the component of the bill to have a potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Prolongation (FY 11 average of \$5.12 per offender, per day, or an annual cost of \$1,869 per offender).

The DOC assumes supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state from January, 2010 through November, 2011, MCHCP covered 248 vasectomies at an average net medical cost of \$771 per vasectomy. The MCHCP expects this proposal would result in savings of approximately \$100,000 annually.

ASSUMPTION (continued)

Oversight notes MCHCP savings will be split between General Revenue, Federal and Other State Funds.

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state if the proposed legislation is enacted a vasectomy shall only be performed to avert the death of the man or avert serious risk of substantial and irreversible physical impairment of a major bodily function of the man. This could result in a cost savings for MO HealthNet.

In FY 2011 MO HealthNet paid for 316 vasectomies with a cost of \$44,713. Applying a 3.5% annual medical inflation factor MHD would have an annual savings of \$47,898. It is unknown how many procedures are performed to avert the death of the man or avert serious risk of substantial and irreversible physical impairment of a major bodily function of the man so the savings is stated as a range from \$0 to \$47,898.

FY 13 (10 months) savings of \$0 to \$39,915 (GR \$15,419; \$24,496 Federal);
 FY 14 savings of \$0 to \$49,574 (GR \$19,150; \$30,424 Federal);
 FY 15 savings of \$0 to \$51,309 (GR \$19,821; \$31,488 Federal).

Oversight assumes the provisions of this proposal would become effective January 1, 2013, the beginning of the state employee health insurance plan year. Therefore, for FY 13, it is assumed that DSS-MHD's savings will be \$0 to \$23,949 (\$47,898 annual/6 months = \$23,949 or \$9,251 GR; \$14,698 Federal).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (6 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
(\$568,200)			
<u>Savings - MCHCP</u>			
Reduction in state share of health plan costs	\$30,560	\$61,120	\$61,120
<u>Savings - DSS-MHD</u>			
Reduction in program expenditures	<u>\$0 to \$9,251</u>	<u>\$0 to \$19,150</u>	<u>\$0 to \$19,821</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$30,560 to \$39,811</u>	<u>\$61,120 to \$80,270</u>	<u>\$61,120 to \$80,940</u>

<u>FISCAL IMPACT - State Government</u>	FY 2013 (6 Mo.)	FY 2014	FY 2015
OTHER STATE FUNDS			
(\$568.200)			
<u>Savings - MCHCP</u>			
Reduction in state share of health plan costs	<u>\$7,220</u>	<u>\$14,440</u>	<u>\$14,440</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$7,220</u>	<u>\$14,440</u>	<u>\$14,440</u>
FEDERAL FUNDS			
(\$568.200)			
<u>Savings - MCHCP</u>			
Reduction in state share of health plan costs	\$12,220	\$24,440	\$24,440
<u>Savings - DSS-MHD</u>			
Reduction in program costs	\$0 to \$14,698	\$0 to \$30,424	\$0 to \$31,488
<u>Loss - DSS-MHD</u>			
Reduction in program reimbursements	<u>\$0 to (\$14,698)</u>	<u>\$0 to (\$30,424)</u>	<u>\$0 to (\$31,488)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$12,220</u>	<u>\$24,440</u>	<u>\$24,440</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact small business health care providers that perform vasectomies.

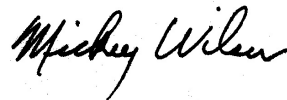
FISCAL DESCRIPTION

This proposal prohibits men from having a vasectomy performed unless it is to save his life or prevent substantial and irreversible physical impairment.

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

Office of State Courts Administrator
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
 Missouri Veterans Commission
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Office of Prosecution Services
Office of State Public Defender



Mickey Wilson, CPA
Director
March 30, 2012