

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0417-02  
Bill No.: Perfected HCS for HB 129  
Subject: Department of Corrections; Medical Procedures and Personnel  
Type: Original  
Date: April 14, 2015

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Bill Summary: This proposal requires all inmates receiving an on-site non-emergency medical examination or treatment from correctional center personnel to be charged 50 cents per visit.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Corrections (DOC)** state offenders who are incarcerated have a constitutional right to medical care under the Eighth Amendment of the U.S. Constitution. The DOC is also stipulated by law to provide medical care under 217.230, RSMo.

Correctional healthcare is built upon a preventative model; therefore, the majority of encounters are initiated by medical staff. Every single offender is seen for a medical assessment upon intake, seen yearly for TB testing, flu shots, physicals, health fairs, etc. Each and every single encounter is documented and counts as one medical encounter. Medical encounters also include an offender merely getting an aspirin for a headache. Offenders can only keep limited supplies of medication in their cells and cannot run out and purchase over the county medication.

Based upon historical data, there are approximately 2,000,000 medical contacts of all types every fiscal year. The DOC estimates that approximately 85% of medical contacts would meet the exclusion from paying the co-pay. The DOC assumes that approximately 300,000 contacts per year would be required to pay the medical co-pay. This would result in revenues to the State of approximately \$150,000.

Funds collected via co-pay would go into General Revenue and not to the DOC unless a special fund was set up for the deposit of the collected funds.

In order to collect medical co-pays, there would need to be staff available to determine whether the medical contact is an emergency or not, whether the offender has the ability to pay, and to actually deduct the funds from the offender's account. In order to handle the administrative duties associated with charging offender co-pays, the Division of Adult Institutions estimates they would need the services of a .5 FTE Office Support Assistant at each of our 21 institutions. This includes the conversion of the Kansas City Community Release Center into a prison in FY16.

The DOC's Offender Finance Unit would also require an additional Account Clerk II in order to process the large number of transactions required to be entered into the finance system.

The Division of Rehabilitative Services estimates they would need an additional Registered Nurse - Clinical Operations in order to review records and make determination on whether offender medical requests require a co-pay or are covered under the list of exceptions.

ASSUMPTION (continued)

The total annual cost would be for the salaries, including fringe benefits, and expense and equipment costs for 12.5 additional staff beginning in FY16.

In summary, the cost of the proposed legislation would be the cost of the additional salaries minus the revenues generated by the collection of the co-pay.

In summary, the DOC assumes the following annual net fiscal impact from the collections and the expense of the additional 21 FTE:

	FY 2016	FY 2017	FY 2018
Personal Service and E&E cost of additional 11.5 FTE	(\$462,491)	(\$451,311)	(\$456,420)
Additional Revenue	\$125,000	\$150,000	\$150,000
Net Fiscal Impact to General Revenue	(\$337,491)	(\$301,311)	(\$306,420)

**Oversight** assumes DOC would be able to absorb any additional responsibilities that this proposal may have on their agency. Oversight further assumes the state would not receive additional proceeds as a result of the 50 cents per medical visit charge. Oversight assumes the 50 cents charge would be handled entirely within the inmates' accounts within the correctional institution's system. For example, if the inmate spent 50 cents on a medical visit, this would reduce the amount available to be spent by the inmate in the institutional canteens. Therefore, Oversight will not reflect a direct fiscal impact to the state from this proposal.

Officials from the **Department of Social Services** and the **Department of Health and Senior Services** each assume the proposal would not fiscally impact their respective agencies.

According to officials from the **Office of the Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the cost may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of

ASSUMPTION (continued)

supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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

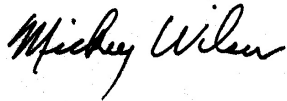
This proposal requires any inmate receiving an on-site non-emergency medical examination or treatment from the correctional facility's medical staff to be assessed 50 cents per visit.

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 Corrections  
Department of Health and Senior Services  
Department of Social Services  
Office of the Secretary of State  
Joint Committee on Administrative Rules



Mickey Wilson, CPA  
Director  
April 14, 2015

Ross Strope  
Assistant Director  
April 14, 2015