

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5017-02
Bill No.: Perfected HCS for HB 1465
Subject: Nurses; Physicians; Health Care
Type: Original
Date: April 21, 2016

Bill Summary: This proposal changes the laws regarding licensed healthcare professionals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
General Revenue	\$0 or (\$66,130)	\$0 or (\$72,189)	\$0 or (\$72,963)	\$0 or (Greater than \$72,963)
Total Estimated Net Effect on General Revenue	\$0 or (\$66,130)	\$0 or (\$72,189)	\$0 or (\$72,963)	\$0 or (Greater than \$72,963)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Professional Registration Funds (various)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Insurance Dedicated	Up to \$5,000	\$0	\$0	\$0
Board of Registration for the Healing Arts	\$0	\$0	\$0	\$0 or (Greater than \$116,540)
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$5,000 or (Unknown)	\$0	\$0	\$0 or (Greater than \$116,540)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
General Revenue	0 or 1	0 or 1	0 or 1	0 or 1
Board of Registration for the Healing Arts	0	0	0	0 or 2
Total Estimated Net Effect on FTE	0	0	0	0 or Up to 3

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 2017	FY 2018	FY 2019	Fully Implemented
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§324.001 - Collection and Analyzing of Workforce Data

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation duplicates an existing program. The Missouri Healthcare Workforce Registry and Exchange (MoHWRx) is an information system developed by DHSS to help health professionals meet state registration requirements and to provide comprehensive and timely information on health care access statewide. MoHWRx currently supports the Missouri Health Professionals Registry and the Bureau of Narcotics and Dangerous Drugs (BNDD) online registration. The Missouri Health Professionals Registry is a voluntary registration tool that provides the foundation for a comprehensive Missouri health care workforce information system and the Division of Professional Registration provides data to MoHWRx to provide a more complete registry of health care professionals in Missouri. A data warehouse for MoHWRx has been built to facilitate data quality assurance and analytics. Currently reports are being written to provide information on health care shortage areas and demographic, geographic and practice characteristics.

Section 324.001 of the proposal allows state boards to collaborate with the DHSS to collect and analyze workforce data to assess the availability of qualified health providers.

It is assumed that the MoHWRx platform for the collection of information on the healthcare workforce will continue to be utilized and that additional resources will be added to ensure data quality, identify data gaps and provide the advanced analytics necessary to provide the information on the workforce to the various boards.

The Division of Community and Public Health (DCPH) will assist with data collection, data quality, reporting and identification of application issues and enhancements. In addition, since the information is self-reported, it is critical that data collected is systematically and routinely reviewed to assure quality and accuracy of the data reported -- particularly in regards to practice locations (satellite sites) and hours of operation. With the proposed legislation, it is anticipated the number of professionals registered and their practice information will increase substantially. DCPH will require additional FTE to assure technical support/assistance to the health care professionals as well as assure data quality and analysis. To perform these additional duties, DCPH will need one FTE Research Analyst III (\$40,380 annually). Total costs to the General Revenue Fund are estimated to be \$69,484 for FY 2017; \$76,315 for FY 2018; and \$77,192 for FY 2019.

Oversight assumes the DHSS does not need rental space for one FTE.

ASSUMPTION (continued)

In addition, **Oversight** assumes the language of the proposal is permissive since it states in 324.001.14(1) that the state boards “may individually or collectively enter into a contractual agreement with the department of health and senior services...” (emphasis added). Therefore, the DHSS may or may not need additional resources to collect and analyze workforce data. As a result, Oversight will range DHSS costs from \$0 to the amount provided by DHSS less rental space costs.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this legislation would have an unknown cost to various Professional Registration funds until contracts are established for the purpose of data collection.

The boards would incur minimal costs to collect the data. If the board(s) entered into a third party contract to analyze the data, the cost of the contract(s) would be based on the Request For Proposal (RFP).

Oversight assumes the language of the proposal is permissive since it states in 324.001.14(1) that the state boards “may individually or collectively enter into a contractual agreement with the department of health and senior services, a public institution of higher education, or a nonprofit entity...” (emphasis added). Therefore, the DIFP’s Professional Registration boards may or may not need additional resources to collect and analyze workforce data. As a result, Oversight will range DIFP’s various Professional Registration board costs from \$0 to unknown.

In response to a similar proposal (HCS HB 1850), officials from the **Department of Higher Education** and the **University of Missouri** each assumed the proposal would not fiscally impact their respective agencies.

In response to an earlier version of HB 1850, officials from the **Office of the Secretary of State (SOS)**, the SOS stated 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, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

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.

§§334.1200 - 334.1233 - Interstate Compact for Physical Therapists

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state the compact will be effective when it is enacted into law in the tenth member state. Currently, no states have enacted the compact and only three states have legislation pending to enact the compact. It is not anticipated the compact would be enacted during FY 2017, FY 2018 or FY 2019 and as a result no fiscal impact to the DIFP during these fiscal years.

Once the compact is enacted the Division of Professional Registration would have the following fiscal impact: One FTE for a Licensing Technician I, one FTE for legal counsel, \$6,000 annual fee to participate in the compact, and revenue of \$50 for each license fee with a compact privilege. It is anticipated 200 individuals will apply for a license with compact privilege.

Oversight notes that the provisions of this section will not be effective until 10 states become members of the compact and there is no way to determine when that might occur. However, at the present time, the DIFP states the salary for a Processing Technician I is \$23,880 annually and the salary for 1 FTE Legal Counsel is approximately \$55,000 annually, plus fringe benefits.

If the compact were to become effective today, the fiscal impact would be approximately \$78,880 in personal service costs plus \$41,663 in fringe benefits (total \$120,543) plus \$6,000 annual participation fee less \$10,000 in license fee revenue for a net cost to Board of Registration for the Healing Arts Fund of approximately \$116,543 annually. Equipment and expense costs have not been included by are assumed to be minimal.

In response to similar legislation (HB 2328), officials from the **Office of Attorney General** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

§§335.360 - 335.415 - Nurse Licensure Compact

In response to similar legislation (SB 985), officials from the **Office of Attorney General** assumed any potential costs arising from this proposal can be absorbed with existing resources.

ASSUMPTION (continued)

In response to similar legislation (SB 985), officials from the **Office of the Secretary of State (SOS)** stated 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, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of 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.

§376.1235 - Co-payment/coinsurance for Occupational Therapist:

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state insurers would be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

Bill as a whole:

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

Officials from the **Office of Administration (OA), Administrative Hearing Commission** assumes this legislation will not significantly alter its caseload.

Officials from **Department of Social Services, the Missouri Office of Prosecution Services, the OA, Information Technology Services Division** and the **Office of State Courts Administrator** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT -</u>	FY 2017			Fully
<u>State Government</u>	(10 Mo.)	FY 2018	FY 2019	Implemented

**GENERAL
REVENUE FUND**

<u>Costs - DHSS</u> (\$324.001)	\$0 or...	\$0 or...	\$0 or...	\$0 or (Greater than...)
Personal service	(\$33,650)	(\$40,784)	(\$41,192)	(\$41,192)
Fringe benefits	(\$17,603)	(\$21,234)	(\$21,346)	(\$21,346)
Equipment and expense	<u>(\$14,877)</u>	<u>(\$10,171)</u>	<u>(\$10,425)</u>	<u>(\$10,425)</u>
Total <u>Cost - DHSS</u>	<u>\$0 or (\$66,130)</u>	<u>\$0 or (\$72,189)</u>	<u>\$0 or (\$72,963)</u>	<u>\$0 or (Greater than \$72,963)</u>
FTE Change - DHSS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

**ESTIMATED NET
EFFECT ON THE
GENERAL
REVENUE FUND**

<u>\$0 or (\$66,130)</u>	<u>\$0 or (\$72,189)</u>	<u>\$0 or (\$72,963)</u>	<u>\$0 or (Greater than \$72,963)</u>
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Estimated Net FTE Effect on the General Revenue Fund	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
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**PROFESSIONAL
REGISTRATION
FUNDS**

<u>Costs - DIFP</u> (\$324.001)				
Data collection costs	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

**ESTIMATED NET
EFFECT ON
PROFESSIONAL
REGISTRATION
FUNDS**

<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
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<u>FISCAL IMPACT -</u>	FY 2017			Fully
<u>State Government</u>	(10 Mo.)	FY 2018	FY 2019	Implemented

**INSURANCE
DEDICATED FUND**

Income - DIFP
(§376.1235)

Form filing fees	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**ESTIMATED NET
EFFECT ON THE
INSURANCE
DEDICATED FUND**

	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT -
State Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

Fully
Implemented

**BOARD OF
 REGISTRATION
 FOR THE
 HEALING ARTS
 FUND**

(§§334.1200 to
 334.1233)

<u>Income</u> - DIFP				\$0 or ...
Licensing fees	\$0	\$0	\$0	\$10,000
<u>Costs</u> - DIFP				\$0 or ...
Personal service	\$0	\$0	\$0	(\$78,880)
Fringe benefits	\$0	\$0	\$0	(\$41,663)
Equipment and expense	\$0	\$0	\$0	(Unknown)
Compact participation fee	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$6,000)</u>
Total Costs - DIFP	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$126,543)</u>
FTE Change - DIFP	\$0	\$0	\$0	0 or 2 FTE

**ESTIMATED NET
 EFFECT ON THE
 BOARD OF
 REGISTRATION
 FOR THE
 HEALING ARTS
 FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Greater than \$116,543)</u>
Estimated Net FTE Change on the Board of Registration for the Healing Arts Fund	0 FTE	0 FTE	0 FTE	0 or 2 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented
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\$0

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

§324.001 - This bill authorizes the State Board of Nursing, Board of Pharmacy, Missouri Dental Board, State Committee of Psychologists, State Board of Chiropractic Examiners, State Board of Optometry, the Missouri Board of Occupational Therapy or the State Board of Registration for the Healing Arts within the Department of Insurance, Financial Institutions and Professional Registration to individually or collectively enter into a contractual agreement with the Department of Health and Senior Services, a public institution of higher education, or a nonprofit entity for the purpose of collecting and analyzing workforce data. Information may be obtained from each board's licensees, registrants, or permit holders for future workforce planning and to assess the accessibility and availability of qualified health care services and practitioners in Missouri. The boards must work collaboratively with other state governmental entities to ensure coordination and avoid duplication of efforts. The boards may expend appropriated funds necessary for operational expenses of the program and each board is authorized to accept grants to fund the collection or analysis authorized in these provisions. Any funds received under these provisions must be deposited in the respective board's fund.

Data collection must be controlled and approved by the applicable state board conducting or requesting the collection. The boards may release identifying data to the contractor to facilitate data analysis of the health care workforce including, but not limited to, geographic, demographic, and practice or professional characteristics of licensees. The state board must not request or be authorized to collect income or other financial earnings data.

Data collected under these provisions must be deemed the property of the state board requesting the data and must be maintained by the state board in accordance with Chapter 610, RSMo, the Open Meetings and Records Law, provided any information deemed closed or confidential must not be disclosed without consent of the applicable licensee or entity or as otherwise authorized by law.

FISCAL DESCRIPTION (continued)

The data must only be released in an aggregate form as specified in the bill and in a manner that

cannot be used to identify a specific individual or entity. Data suppression standards must be addressed and established in the contract.

A contractor must maintain the security and confidentiality of data received or collected and must not use, disclose, or release any data without approval of the applicable state board and the contract between the applicable state board and the contractor must establish a data release and research review policy.

§376.1235 - This proposal adds services rendered by licensed occupational therapists to services that cannot require a higher co-payment or coinsurance than is required for the services of a primary care physician office visit. This proposal also requires health carriers to clearly state the availability of occupational therapy services. This proposal requires the Oversight Division of the Joint Committee on Legislative Research to perform an actuarial analysis of the cost impact health carriers, insureds, and other payers for occupational therapy coverage beginning September 1, 2016, and submit a report by December 31, 2016.

This legislation is not federally mandated, would at least partly duplicate another program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Social Services
Joint Committee on Administrative Rules
Missouri Office of Prosecution Services
Office of Administration -
Administrative Hearing Commission
Information Technology Services Division
Office of State Courts Administrator
Office of Secretary of State
University of Missouri

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Director
April 21, 2016



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