

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5258-01  
Bill No.: HB 1876  
Subject: Medicaid/MO HealthNet; Children and Minors; Social Services Department  
Type: Original  
Date: January 25, 2016

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Bill Summary: This proposal allows the Department of Social Services to contract with pediatric care networks to provide MO HealthNet benefits for medically complex children.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0 or (\$33,333)	\$0 or (\$40,000)	\$0 or (\$40,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (\$33,333)</b>	<b>\$0 or (\$40,000)</b>	<b>\$0 or (\$40,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expenses net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<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>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state this legislation allows DSS to contract with pediatric care networks, pediatric centers for excellence, and medical homes for children to provide MO HealthNet benefits for medically complex children when it is cost-effective.

To test and see if it would be cost effective, MHD would need 0.5 FTE Social Services Band 2 Manager/Management Analysis Specialist II (\$41,940 annually) or contract out the work. The total cost for FY 17 would be a range from \$29,932 to \$80,000 (Mercer contract cost), split 50/50 General Revenue (GR)/Federal funds; FY 18 costs are estimated to be \$34,452 to \$80,000 (50/50 split); and FY 19 costs are estimated to be \$34,782 to \$80,000 (50/50 split).

**Oversight** assumes the DSS would not hire 0.5 FTE and would either assign the additional duties to existing staff or contract with Mercer, depending on whether additional funds were appropriated for the proposal. Therefore, Oversight will range the cost as \$0 or \$80,000, split 50/50 GR/Federal.

Officials from the **Department of Mental Health, the Office of Administration, Commissioner’s Office** and the **Division of Purchasing and Materials Management** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DSS (\$208.166)</u>			
Contract costs	<u>\$0 or (\$33,333)</u>	<u>\$0 or (\$40,000)</u>	<u>\$0 or (\$40,000)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0 or (\$33,333)</u></b>	<b><u>\$0 or (\$40,000)</u></b>	<b><u>\$0 or (\$40,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>FEDERAL FUNDS</b>			
<u>Income - DSS (\$208.166)</u>			
Reimbursement for program expenditures	\$0 or \$33,333	\$0 or \$40,000	\$0 or \$40,000
<u>Costs - DSS (\$208.166)</u>			
Contract costs	<u>\$0 or (\$33,333)</u>	<u>\$0 or (\$40,000)</u>	<u>\$0 or (\$40,000)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

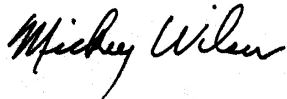
FISCAL DESCRIPTION

This bill requires the Department of Social Services to have authority to advance the development of systems of care for medically complex children who are recipients of MO HealthNet benefits by accepting cost-effective regional proposals from and contracting with appropriate pediatric care networks, pediatric centers for excellence, and medical homes for children to provide MO HealthNet benefits when the department determines it is cost effective to do so.

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 Mental Health  
Department of Social Services -  
    MO HealthNet Division  
Office of Administration -  
    Commissioner's Office  
    Division of Purchasing and Materials Management



Mickey Wilson, CPA  
Director  
January 25, 2016

Ross Strobe  
Assistant Director  
January 25, 2016