

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4527H.01P
Bill No.: Perfected HB 2331
Subject: Health Care; Department of Health and Senior Services; Food
Type: Original
Date: April 12, 2022

Bill Summary: Repeals provisions relating to certain health and licensing requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	(\$111,367)	(\$66,631)	(\$67,220)
Total Estimated Net Effect on General Revenue	(\$111,367)	(\$66,631)	(\$67,220)

*The fiscal impact to General Revenue relating to the Medical Preceptor tax credits net to zero as a result of the revenue loss equal to the amount of tax credits awarded which are later reimbursed from the Medical Preceptor Fund.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Medical Preceptor Fund*	\$0	Up to or could exceed \$641	Up to or could exceed \$942
Organ Donor Program	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

*The fee increase (additional revenue) to the Medical Preceptor Fund (license fee increase(s)) is offset by Transfers Out (reimbursement to General Revenue Fund for tax credit program) after Department of Health and Senior Services administrative costs.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Income and expenses less than \$100,000 annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Repeals sections related to certain health and licensing requirements

Officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation would eliminate §§196.866 and 196.868, RSMo, from statute, thereby ending frozen dessert licensing. The DHSS, Bureau of Environmental Health Services (BEHS) currently licenses approximately 2,000 facilities that are required to maintain a frozen dessert license. DHSS staff time spent operating the frozen dessert license program is divided among positions that also perform other environmental health responsibilities. No positions are purely dedicated to the program and therefore no positions would be eliminated. Ending the program will not result in any realized cost savings as the time dedicated by current staff to the program would be redirected to other responsibilities if the legislation were enacted.

The cost of a frozen dessert license ranges from \$10 to \$150 with the average cost of approximately \$15. Annually the frozen dessert licensing process is estimated to collect approximately \$32,000 in fees in future years (actual revenues for the last three years were \$33,925 in FY19, \$33,485 in FY20, and \$32,165 in FY21). All fees collected from the program are placed into general revenue and no funds remain at DHSS.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a loss of license fees deposited into the General Revenue Fund of \$32,000 annually as the fiscal impact for the DHSS.

Officials from the **Department of Commerce and Insurance**, the **Department of Social Services**, the **Office of the State Treasurer**, the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** 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 for these sections.

House Amendment 1

§§192.2225, 197.100, 197.256, 197.258, 197.415, 198.006, 198.022, 198.026, 198.036, 198.525, 198.526, and 198.545 – Health care facility inspections

In response to similar legislation (SB 1029), officials from the **Department of Health and Senior Services**, the **Department of Public Safety**, **Missouri Highway Patrol**, the **Department of Social Services**, the **Office of the State Public Defender**, the **Newton County Health Department**, the **St. Louis County Health Department**, the **Missouri Office of Prosecution Services** and the **Office of the State Courts Administrator** each assumed 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 for these sections.

House Amendment 2

§195.690 – Preceptorship tax credit

In response to similar legislation (HB 2595), officials from the **Office of Administration – Budget & Planning (B&P)** assumed the proposal would create a tax credit for any community-based faculty preceptor who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship. The credit is equal to \$1,000 for each preceptorship, up to a maximum of \$3,000 per tax year if he or she completes up to three preceptorship rotations and did not receive any direct compensation for the preceptorships. The cumulative amount of tax credits awarded under this section shall not exceed \$200,000 per year.

The Department of Health and Senior Services is authorized to exceed the \$200,000 program cap in any amount not to exceed the amount of funds remaining in the Medical Preceptor Fund. This would result in an unknown negative impact on TSR if the program cap is exceeded.

Effective January 1, 2023, funding for the tax credit program shall be generated from a license fee increase of \$7 per license for physicians and surgeons and from a license fee increase of \$3 per license for physician assistants. This money would be deposited into the Medical Preceptor Fund. At the end of every tax year, an amount equal to the dollar amount of all tax credits claimed under this section shall be transferred from the Medical Preceptor Fund to GR. Any excess money shall remain in the fund.

This proposal will lead to an increase in total state revenues, as additional fees are collected and deposited in the Medical Preceptor Fund. Concurrently, general and total state revenues will decrease as tax credits are redeemed. The net impact to TSR could be positive or negative in a given year, depending on fees collected and credits redeemed. While general revenue collections will decrease, these losses are to be offset by a transfer from the Medical Preceptor Fund; such a transfer will be subject to appropriation. B&P defers to the division of professional registration on specific revenue impacts.

This proposal could impact the calculation under Article X, Section 18(e).

In response to similar legislation (HB 2595), officials from the **Missouri Department of Commerce and Insurance (DCI)** stated there are approximately 30,095 active physicians licensed in Missouri. A seven dollar (\$7) fee increase would generate approximately \$210,665. Furthermore, there are approximately 1,830 active assistant physicians licensed in Missouri. A three dollar (\$3) fee increase would generate approximately \$5,490. DCI estimates a total of \$216,155 would be generated as a result of the fee increase(s).

No more than 200 preceptorship tax credits shall be authorized by the Division of Professional Registration in a calendar year. The cumulative amount of tax credits awarded shall not exceed \$200,000.

It is estimated that the collection of fee increase(s) will begin at annual renewal in **November 2023**. Appropriation will not be received until July 2024.

If the number of licenses largely vary from the number estimated above, the licensure fee(s) will be adjusted accordingly.

In response to similar legislation (HB 2595), officials from the **Department of Health and Senior Services (DHSS)** assumed the proposed legislation would allow community-based faculty preceptors who serve as a community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship to receive a tax credit. The tax credit can be in an amount equal to one thousand dollars for each preceptorship, up to a maximum of three thousand dollars per tax year, if he or she completes up to three preceptorship rotations during the tax year and did not receive any direct compensation for the preceptorships.

The number of eligible preceptorship tax credits would be limited to 200 per year; however, the Department of Health and Senior Services (DHSS) could receive more than 200 requests to be processed. The tax credit program would be funded by a license fee increase of seven dollars per license for physicians and surgeons and three dollars per license for physician assistants by the Missouri Board of Registration for the Healing Arts. All funds collected from the license fee increase would be deposited to the medical preceptor fund annually. Any balance in the fund would carry-over to the next year and would not be transferred into general revenue.

The medical schools would verify the preceptor hours; whereas, the department would develop and implement a process to verify the preceptor hours, create forms and letters, promulgate the Rules, and establish an application or attestation and ways to submit those to the department, and the actual tax credit form provided to the preceptor who will submit it to the Department of Revenue.

There is no anticipated actual loss of revenue, as the loss of revenue due to the tax credit will be offset by the equivalent being transferred from the Medical Preceptor Fund. DHSS does not have an estimate for the total amount of additional revenue generated by the license fee increases, but assumes that it will match or exceed the \$200,000 in reduced revenue collections.

Section 135.690.3(2) establishes the Medical Preceptor Fund and states that the fund will be “used solely by the board for the administration of the tax credit program...” with “the board” defined as the Missouri Board of Registration for the Healing Arts. As the proposed legislation provides the board the authority to utilize the funds for administration of the program, the department does not assume that the funds will be used to offset staffing costs within the department to administer its responsibilities related to the program. The department therefore presumes additional general revenue will be needed to fund one (1.00) FTE that will be needed to meet the statutory requirements placed on the department.

The minimum staffing DHSS estimates that will be needed to administer the new grant program is one (1.00) FTE. The FTE will be required to develop, implement and manage the program as required by the legislation. The position should be classified as an Accountant with expertise in Missouri and federal tax codes and requirements. The average annual salary of an Accountant in the Division of Community and Public Health is \$51,828 per year as of March 1, 2022.

Oversight will include the **Department of Health and Senior Services** costs (FTE). Oversight will report the administrative cost being paid from the Medical Preceptor Fund as this proposed legislation states the funds in the Medical Preceptor Fund may be used by the Division of Professional Registration for the administration of the tax credit program created.

Furthermore, since the cost will be paid from the Medical Preceptor Fund, the amount of revenue available to be transferred to GR, to reimburse the cost of the tax credit program, will be reduced by all administrative costs, which could result in a reduction in the number of tax credits that may be awarded. Based on the estimated revenue gain from the license fee increase(s), in conjunction with the Department of Health and Senior Services costs, **Oversight** estimates a range of 115 tax credits (at \$1,000) or 38 tax credits (at \$3,000) will be available in the Fiscal Year 2023. Consequently, **Oversight** estimates a range of 124 tax credits (\$1,000) and 42 tax credits (at \$3,000) will be available in the Fiscal Year 2024.

Officials from the **Department of Revenue (DOR)** assume Beginning January 1, 2023, any community-based faculty preceptor who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship (and serves without direct compensation) shall be allowed a credit in an amount equal to one thousand dollars (\$1,000) for each preceptorship, up to a maximum of three thousand dollars (\$3,000) per tax year (for three students). No more than 200 preceptorship tax credits (\$200,000) shall be authorized annually. DOR notes the first tax returns reporting this tax credit will be filed starting January 1, 2024 (FY 2024).

The Department reached out to the University of Missouri's Medical School in 2020, to determine if any of their medical students participate in such a program. They stated they have 250 certified physicians registered to serve as a community-based faculty preceptor and that the University does not provide any compensation for these duties. They have 25 first year students, 25 third year students and 25 fourth year students participate in the Rural Track program at the University. Those 75 students meet the definition outlined in the bill. Each of the 25 first year and 25 fourth year students work with 1 each community-based faculty preceptor. The 25 third year students each work with at least 3 community-based faculty preceptors each. Therefore, at least the 125 physicians a year that are working with the University Medical School could potentially qualify for this tax credit.

DOR notes that the University is not the only medical school in Missouri that has such a program. Therefore, DOR assumes the full \$200,000 in tax credits may be utilized annually.

This proposal also creates funding for the administration of the tax credit. An additional license fee of \$7.00 per physician and surgeon and an additional license fee of \$3.00 per physician assistant is to be assessed starting January 1, 2023. These fees are to be transferred into the Medical Preceptor Fund. The Department checked with the Department of Commerce and Insurance, who informed DOR that there are 29,080 active physicians and 1,613 assistant physicians. Therefore, this fund could result in \$203,560 in physician fees and \$4,839 in assistant physician fees being collected annually. The Department of Commerce and Insurance noted that the annual license fees are paid by the physicians and assistant physicians in November. The state would expect to receive the fees starting in Fiscal Year 2024 (November 2023) annually.

This proposal states that the money received into the Medical Preceptor Fund is to cover the administration costs of the tax credit. Additionally, this proposal states that the money collected at the end of each tax year is to be transferred from the Medical Preceptor Fund to General Revenue in an amount equal to the total dollar amount of credits claimed. DOR assumes that based on the possible usage of the program the entire \$200,000 would need to be transferred to General Revenue to cover the tax credit program.

This proposal allows that if the Medical Preceptor Fund collects more money than the \$200,000 cap on the tax credit, the Department of Commerce and Insurance can allow additional preceptorship credits to be claimed.

This proposal requires the Department of Commerce and Insurance to administer the tax credit including determining who is eligible for the credit.

This is a new tax credit that will need to be added to the MO-TC form as well as into the individual income tax filing system. The estimated cost of this credit is \$3,596.

This legislation will result in a maximum increase of 200 tax credits redeemed and an unknown, but minimal increase errors/correspondences generated. The Department anticipates being able to absorb this increase. If the increase is significant or if multiple bills pass that increase the number of tax credits redeemed, the Department will request FTE through the appropriations process based on the following:

- 1 FTE Associate Customer Service Rep for every 6,000 credits redeemed
- 1 FTE Associate Customer Service Rep for every 7,600 errors/correspondence generated

Oversight notes the Missouri Department of Revenue assumes the responsibilities of the tax credit program created under this proposed legislation can be absorbed with existing resources. Oversight does not have any information to the contrary.

Oversight notes Tax Year 2023 tax returns will not be filed claiming the credit until after January 1, 2024 (Fiscal Year 2024).

Oversight notes, if the total amount of tax credits claimed in any given year is less than the amount readily available in the Medical Preceptor Fund, the excess amount(s) shall remain in the Medical Preceptor Fund.

Oversight notes there are currently six medical schools in Missouri. The potential 125 tax credit applicants, as provided by the DOR, only represent the credits potentially awarded for applicants of one school. Given there are 5 other medical schools, and potential for more physician or assistants physicians in other schools who could potentially apply for this tax credit, it is probable that Medical Preceptor Fund will be able to issue up to maximum amount and exhausting all the funds collected annually. This bill specifically notes that the application for such a tax credits will be handled on first-come - first-serve basis. The current projection shows, after paying all administrative costs, this fund will be able to provide tax credit for about 111 to 120 applicants in FY 2024 & FY 2025 respectively (at \$1,000 per applicant).

Oversight will report a revenue gain to the Medical Preceptor Fund by an amount “Up to \$216,155” beginning in Fiscal Year 2024. Oversight will report a cost to the Medical Preceptor Fund by the amount(s) reported as administrative costs for the Department of Health and Senior Services totaling \$104,514 in FY 2024 & \$95,213 in FY 2024 for (1) FTE. Oversight will report a revenue reduction to the Medical Preceptor Fund by an amount up to the difference between the revenue gain and the cost(s); the amount that would be transferred to GR to reimburse GR for the tax credit(s) awarded.

Oversight notes if the total amount of tax credits claimed in any given year is less than the amount readily available in the Medical Preceptor Fund, the excess amount(s) shall remain in the Medical Preceptor Fund.

In response to similar legislation (HB 2595), officials from the **Missouri State Treasurer’s Office and Department of Economic Development both** did not anticipate this proposed legislation will result in a fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, **Oversight** will not report a fiscal impact for these organizations for this program.

House Amendment 3

§§192.2001 and 660.010 – Implementation of the Older Americans Act

In response to similar legislation (HB 2373), officials from the **Department of Health and Senior Services** and the **Department of Social Services** each assumed 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 for these sections.

House Amendment 4 A.A.

§194.321 – Organ transplants and COVID-19 vaccination status

In response to similar legislation (HB 1861), officials from the **Department of Health and Senior Services** and **Department of Social Services** each assumed 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 this section.

§§194.210 -194.304, 301.020 and 302.171 – Organ donation

In response to similar legislation (HB 2680), officials from the **Department of Health and Senior Services (DHSS)** stated §194.297.1 of the proposed legislation would allow the Organ Donor Program Fund to receive contributions from grants, gifts, bequests, the federal government, and other sources.

Section 194.297.2 of the proposed legislation would allow the DHSS to pursue funding to support programmatic efforts and initiatives. The DHSS's Organ and Tissue Donor Program staff plans to inform estate-planning attorneys of the opportunity to donate to the fund and include information on the program website; existing program staff will implement.

Section 194.297.3 of the proposed legislation instructs the state treasurer to invest any moneys in excess of \$500,000 not required for immediate disbursement in the same manner as surplus state funds are invested. These earnings will be deposited back into the Organ Donor Program Fund.

Section 194.299(2) of the proposed legislation would allow programmatic initiatives to include donor family recognition, training, and strategic planning efforts.

Interest earned on Organ Donor Program Fund in excess of \$500,000 and deposited into the fund would have a positive impact to the Organ Donor Program Fund balance. The impact is unknown and dependent upon how the State Treasurer invests the money; the impact should exceed \$0.

Sections 301.020.8 and 302.171.2, RSMo, currently allow for individuals to make a \$1 donation to the Organ Donor Program Fund. Proposed amendments to those sections would allow for donations no less than \$1 be made to the fund, meaning that donations greater than the current \$1 donation would be possible. The DHSS does not have any basis to project how many donations would be increased from \$1 or what amount donations may increase to. The Department therefore projects an unknown amount of additional revenue greater than zero dollars.

The proposed legislation expands expenditure authority for education, registry, and donor family initiatives. Expenditures for the Donor Family Recognition Program are expected, and costs are dependent upon the national theme that changes annually and influences supplies needed. The DHSS will utilize the State of Missouri's Statewide Services Contracts to secure advertising

services to develop and disseminate messages about organ, eye and tissue donation in addition to living donation. The total impact of program appropriations, grants, gifts, and bequests is expected to be greater than \$0 but total impact is unknown.

The DHSS anticipates that the existing spending authority for the Organ Donor Program Fund is adequate for FY 2023. Expanding contractual options and fund utilization aids program efforts in implementing law intent. No additional FTE will be required.

In response to similar legislation (HB 2680), officials from the **Department of Revenue (DOR)** stated the Drivers' License Bureau (DLB) provides the following:

§301.020.8

This proposal modifies the amount of donation by a motor vehicle transaction applicant for registration from one dollar to allow a variable amount not less than a dollar to promote an organ donor program.

§302.171.2

This proposal modifies the amount of donation by a license applicant from one dollar to allow a variable amount not less than a dollar to promote an organ donor program.

Administrative Impact

To implement the provisions of this section, the DOR would be required to:

- Modify current MTAS code to change the amount of \$1.00 for the donor donation to a variable field;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete project documentation such as the business case and project charter.
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, MEDL central application and supporting applications;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system; and
- Train staff.

FY 2023 – Driver License Bureau

Research/Data Assistant 320hrs. @ \$16.30 per hr.	= \$5,216
Research/Data Analyst 320hrs. @ \$24.29 per hr.	= \$7,773
Administrative Manager 80 hrs. @ \$26.37 per hr.	= <u>\$2,110</u>
Total	\$15,099

FY 2023 – Personnel Services Bureau

Associate Research/Data Analyst 80 hrs. @ \$19.47 per hr. = \$1,558

Total Costs \$16,657 (\$15,099 + \$1,558)

DOR officials state the Motor Vehicle Bureau (MVB) provides the following:

§301.020.8

Modifies the donation amount an applicant for motor vehicle registration can make to the organ donor program from one dollar to an amount not less than one dollar.

Administrative Impact

To implement the proposed legislation, the DOR will be required to:

- Update policies, procedures, forms, and the Department website;
- Implement identified system changes and conduct UAT testing; and
- Train staff.

FY 2023 – Motor Vehicle Bureau

Associate Research/Data Analyst 27 hrs. @ \$18.87 per hr. =	\$509
Research/Data Assistant 10 hrs. @ \$15.80 per hr. =	\$158
Research/Data Analyst 17 hrs. @ \$23.55 per hr. =	\$400
Administrative Manager 10 hrs. @ \$25.56 per hr. =	\$256

FY 2023 – Strategy and Communications

Research/Data Assistant 10 hrs. @ \$15.80 per hr. =	\$158
Research/Data Analyst 10 hrs. @ \$23.55 per hr. =	<u>\$236</u>
Total	\$1,717

Total All Costs \$18,374 (\$15,099 + \$1,558 + \$1,717)

The DOR anticipates being able to absorb these administrative costs. If multiple bills are passed that require Department resources, funding may be requested through the appropriations process.

DOR officials also provide that ITSD consultants will be needed for updates. It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. The following IT consultant hours at the current contract rate of \$95/hr will be required:

71.28 hours to update MEDL (DL)
71.28 hours to update MODL (DL)
71.28 hours to update MORE (MV)
213.84 hours X \$95/hr = **\$20,315** one-time costs to General Revenue

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the one-time costs against the General Revenue Fund as provided by DOR.

In response to similar legislation (HB 2680), officials from the **Hermann Area Hospital District**, the **University of Central Missouri**, **St. Charles County Community College** and the **Office of the Governor** each assumed 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 for these sections.

House Amendment 5 A.A.

§§191.500, 191.515, 191.520, 191.525, 335.230, and 335.257 – Medical student loan program

In response to similar legislation (SB 757), officials from the **Department of Health and Senior Services (DHSS)** stated this proposal would not create a fiscal impact.

Oversight contacted DHSS officials for more information regarding their response. DHSS officials stated this proposal adds the practitioners to the statute who are already defined in the regulation (PRIMO – 19 SCS 10-4.010 and NLS – 19 CSR 10-6.010) and the amounts that students may qualify for are also currently in the regulation.

DHSS also stated this act also modifies the Nursing Student Loan Program by modifying the amount of financial assistance available to students from \$5,000 each academic year for professional nursing programs to \$10,000 each academic year and from \$2,500 each academic year for practical nursing programs to \$5,000 each academic year (increasing the amount given to each eligible student utilizing the current fund and appropriated amount).

Finally, **DHSS** also stated this act modifies the Nursing Student Loan Repayment Program by removing the June and December deadlines for qualified employment verification while retaining the requirement that such employment be verified twice each year. Simply changing the regulations from specified months each year to twice a year allows DHSS to remain in compliance if it is off a month checking for compliance.

According to the submitted budget books, **Oversight** notes the following budget authority and expenditures for the PRIMO program over the past three years:

	FY 2019	FY 2020	FY 2021
Budget Authority (all funds)	\$2,915,434	\$2,995,292	\$3,298,929
Actual Expenditures	<u>\$2,726,907</u>	<u>\$2,961,261</u>	<u>\$3,245,230</u>
Unexpended funds	\$ 188,527	\$ 34,031	\$ 53,699

Appropriation authority (10.745) for PRIMO for FY 2022 includes:

From General Revenue	\$378,750
From DHSS federal fund	\$425,000
From Health Access Incentive Fund	\$650,000
From Prof. & Practical Nurse (0565)	\$650,000
From DHSS donated fund	\$956,790
TOTAL	\$3,060,540

Based on responses from the Department of Health and Senior Services, **Oversight** will assume these sections will not create a material fiscal impact to the state.

In response to similar legislation (SB 757), officials from the **University of Missouri** stated the proposed legislation could have a positive impact for the University of Missouri. The University currently has 1,300 students which would qualify for this program. The impact amount cannot be determined.

In response to similar legislation (SB 757), officials from **Missouri State University** stated this bill has a positive fiscal impact of an undetermined amount.

In response to similar legislation (SB 757), officials from the **Department of Commerce and Insurance**, the **Department of Higher Education and Workforce Development**, the **University of Central Missouri** and **St. Charles Community College** each assumed 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 for these sections.

§§338.010, 338.011, and 338.165 – Administration of medication by pharmacists

In response to similar legislation (SB 1126), officials from the **Department of Commerce and Insurance** and the **Department of Health and Senior Services** each assumed 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 for these agencies for these sections for fiscal note purposes.

House Amendment 6 A.A.

§§197.400, 197.405, 197.445, 334.104, and 335.175 – Health care professionals

In response to similar legislation (HCS HB 2434), officials from the **Department of Commerce and Insurance** and the **Department of Health and Senior Services** each assumed 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 for these sections.

This amendment has an emergency clause.

§§334.100, 334.506, and 334.613 – Physical therapists

In response to a similar proposal from this year (HB 2096), officials from the **Department of Social Services (DSS)** assumed this legislation revises Chapter 334, RSMo, by changing two sections that would allow physical therapists to treat patients without a prescription or referral from an approved health care provider.

This legislation is almost identical to HB 367 (0770-01) from the 2021 session. Since this legislation revises Chapter 334, RSMo, and since there is no specific exemption for physical therapists that contract with the Health Maintenance Organizations (HMOs) that contract with the state to provide health benefits to MO HealthNet managed Care members, it is assumed this will apply to them.

The HMOs that contract with the state have current policies and procedures that outline treatment guidelines for members for physical therapy services. This legislation revises current language to remove the requirement for a prescription or referral from an approved healthcare provider provided the physical therapist has a doctorate of physical therapy degree or has five years of clinical practice as a physical therapist. In addition, this legislation revises language that states consultation with an approved health care provider is not required if the course of physical therapy services or treatment is completed within ten visits or twenty-one business days.

Providers enrolled with MO HealthNet must be licensed by the state in which they practice. In order to receive reimbursement for services provided to a MO HealthNet participant, providers must also be enrolled with the state as a MO HealthNet provider. Physical therapy services must be prescribed by a primary care provider and is only a covered benefit for children. Additionally, any service included in the Individualized Education Program (IEP) developed through the public school is covered through Fee-For-Service.

Medicaid's requirement for medical necessity of physical therapy services would be impacted if the need for prescription and referral by a primary care provider (or specialist) were removed. By

removing this connection to the primary care/specialist provider, utilization for these services will inevitably increase over time due to provider induced demand, potential for over treatment (due to lack of utilization controls), and difficulty in enforcement. In addition, utilization increases may be expected based on the use of in-office ancillary. Without the need for a script or other utilization control, utilization increases may be anticipated as clinicians have the ability to bill up to ten visits before they must seek further consult, and without an enforcement process, it is assumed this type of behavior will increase.

It is assumed that the Managed Care capitation rates would increase at least \$100,000 based on this legislation. For FY23 and FY24, a 3.7% medical inflation rate was used. DSS estimates the actuarial cost to evaluate this program change to the Managed Care capitation rates to be no more than \$50,000.

FY23: Total - \$150,000 (GR - \$59,052; Federal - \$90,948)

FY24: Total - \$101,700 (GR - \$34,631; Federal - \$67,069)

FY25: Total - \$103,429 (GR - \$35,220; Federal - \$68,209)

In response to similar legislation (HB 2096), officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Missouri Consolidated Health Care Plan**, the **Department of Transportation**, the **Department of Public Safety - Missouri Highway Patrol** the **City of Springfield**, **Kansas City**, the **City of O'Fallon**, and the **St. Louis Budget Division** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (HB 1555), officials from the **Office of Administration - Administrative Hearing Commission** and the **Missouri Department of Conservation** each assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for these sections.

§§335.011, 335.016, 335.036, 335.046, 335.051, 335.056, 335.061, 335.066, 335.071, 335.076, 335.081, 335.086, and 335.221 – Advanced practice registered nurses

In response to similar legislation (HB 1578), officials from the **Department of Health and Senior Services** and the **Department of Commerce and Insurance (DCI)** each stated the proposal would not have a direct fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these sections.

Oversight contacted DCI officials and learned there are currently 13,693 registered APRNs in Missouri. APRNs are required to pay a one-time fee of \$150 for recognition of their APRN status. DCI officials state this proposal does not change the fee structure or requirements related

to APRNs. The proposal instead changes the current APRN recognition model to a licensure model.

Rule Promulgation

In response to the similar provisions amended into this proposal and referred to throughout this fiscal note, officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to the similar provisions amended into this proposal and referred to throughout this fiscal note, officials from the **Office of the Secretary of State (SOS)** noted 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 \$5,000. 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 its 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.

[illegible]

<u>FISCAL IMPACT – State Government (continued)</u>	FY 2023	FY 2024	FY 2025
MEDICAL PRECEPTOR FUND			
<u>Revenue Gain</u> – Increase In License Fee For Physicians, Surgeons, and Physician Assistants (§135.690) p. 4-8 (HA 2)	\$0	Up to \$216,155	Up to \$216,155
<u>Cost</u> – DHSS (§135.690) p. 4-8			
Personnel Services	\$0	(\$52,346)	(\$52,870)
Fringe Benefits	\$0	(\$31,599)	(\$31,789)
Equipment & Expense	\$0	(\$20,569)	(\$10,554)
<u>Total Cost</u> – DHSS	<u>\$0</u>	<u>(\$104,514)</u>	<u>(\$95,213)</u>
FTE Change – DHSS (HA 2)	0 FTE	1 FTE	1 FTE
<u>Revenue Reduction/Transfer Out</u> – Reimbursement To GR For Cost Of Tax Credits (§135.690) p. 4-8 (HA 2)	<u>\$0</u>	<u>Up to (\$111,000)</u>	<u>Up to (\$120,000)</u>
ESTIMATED NET EFFECT ON MEDICAL PRECEPTOR FUND	<u>\$0</u>	<u>Up to or could exceed \$641</u>	<u>Up to or could exceed \$942</u>
ORGAN DONOR PROGRAM (0824)			
<u>Income</u> – DHSS (§§194.210 -194.304, 301.020 and 302.171) – increased donations p. 10-11 (HA 4)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON THE ORGAN DONOR PROGRAM	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT – State Government</u> (continued)	FY 2023	FY 2024	FY 2025
FEDERAL FUNDS			
<u>Income</u> - DSS (§§334.100, 334.506, and 334.613) p. 14-15			
Increase in Managed Care Capitation Rates	\$65,948	\$67,069	\$68,209
Actuarial Study (HA 6)	\$25,000	\$0	\$0
<u>Cost</u> – DSS (§§334.100, 334.506, and 334.613) p. 14-15			
Increase in Managed Care Capitation Rates (federal portion)	(\$65,948)	(\$66,965)	(\$68,371)
Actuarial Study (federal portion)	<u>(\$25,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal would have a positive fiscal impact on certain small businesses as they would no longer have to obtain a license or incur costs associated with maintaining the license.

Small business physical therapists could be impacted by this proposal. (§§334.100, 334.506, and 334.613)

FISCAL DESCRIPTION

This bill repeals in their entirety Sections 191.743, 196.866, and 196.868, RSMo, dealing with frozen desert licensure and perinatal substance abuse.

Beginning January 1, 2023, this bill creates a tax credit for any community-based faculty preceptor, as defined in the bill, who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship, as defined in the bill. The amount of the tax credit will be worth \$1000 for each preceptorship, up to a maximum of \$3000 per tax year, if he or she completes up to three preceptorship rotations during the tax year and did not receive any direct compensation for the preceptorships. To receive the credit, a community-based faculty preceptor must claim the credit on his or her return for the tax year in which he or she completes the preceptorship rotations and must submit supporting documentation as prescribed by the Missouri Board of Registration for the Healing Arts and the Missouri Department of Health and Senior Services.

This tax credit is nonrefundable and cannot be carried forward or carried back, transferred, assigned or sold. No more than 200 preceptorship tax credits will be authorized for any one calendar year and will be awarded on a first-come, first-served basis, capped at a total amount of \$200,000 per year. Some discretion to use remaining funds in a particular fiscal year is provided.

Additionally, this bill creates a "Medical Preceptor Fund" which is funded from a license fee increase of \$7.00 per license for physicians and surgeons and from a license fee increase of \$3.00 per license for physician assistants. This will be a dedicated fund designed to fund additional tax credits that may exceed the established cap of \$200,000 per year.

The Missouri Department of Health and Senior Services will administer the tax credit program. Each taxpayer claiming a tax credit must file an application with the Department verifying the number of hours of instruction and the amount of the tax credit claimed. The hours claimed on the application must be verified by the program director on the application. The certification by the Department affirming the taxpayer's eligibility for the tax credit provided to the taxpayer must be filed with the taxpayer's income tax return.

The Department of Commerce and Insurance and the Department of Health and Senior Services will jointly administer the tax credit and each taxpayer claiming a tax credit must file an affidavit with his or her income tax return, affirming that he or she is eligible for the tax credit. Additionally, the Department of Commerce and Insurance and the Department of Health and Senior Services will jointly promulgate rules to implement the provisions of this bill. (§135.690)

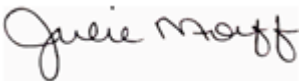
This bill modifies provisions relating to the Organ Donor Program Fund. (§§194.210 -194.304, 301.020 and 302.171)

This bill allows physical therapist to evaluate and initiate treatment on a patient without a prescription or referral from an approved health care provider. (§§334.100, 334.506, and 334.613)

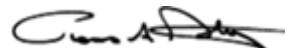
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration – Budget & Planning Division
Department of Commerce and Insurance
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Public Safety, Missouri Highway Patrol
Department of Revenue
Department of Social Services
Missouri Department of Conservation
Missouri Department of Transportation
Office of the State Public Defender
Office of the Secretary of State
University of Missouri
Joint Committee on Administrative Rules
Office of the Governor
Office of the State Treasurer
Missouri Office of Prosecution Services
Office of the State Courts Administrator
Missouri Consolidated Health Care Plan
City of Kansas City
City of O’Fallon
City of Springfield
St. Louis Budget Division
Newton County Health Department
St. Louis County Health Department
Hermann Area Hospital District
University of Central Missouri
St. Charles Community College



Julie Morff
Director
April 12, 2022



Ross Strobe
Assistant Director
April 12, 2022