

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4527S.04A
 Bill No.: SS for SCS for HB 2331, as amended
 Subject: Health Care; Health Care Professionals; Department of Health and Senior Services; Health, Public; Hospitals; Physicians
 Type: Original
 Date: May 12, 2022

Bill Summary: This proposal modifies provisions relating to health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	(\$545,122)	(\$572,203)	(\$580,405)
Total Estimated Net Effect on General Revenue	(\$545,122)	(\$572,203)	(\$580,405)

*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 GR for tax credit program) after DHSS administrative costs.

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	4 FTE	4 FTE	4 FTE
Medical Preceptor	0 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	4 FTE	5 FTE	5 FTE

- 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

Senate Amendment 1 - §135.690 – 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 DHSS 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 Board of Registration for the Healing Arts 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.

In response to similar legislation (HB 2595), officials from the **Department of Revenue (DOR)** assumed 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 the **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.

§172.800 – Task force for Alzheimer’s disease

Oversight assumes removing the definition of “task force” as established pursuant to §§660.065 and 660.066 will have no fiscal impact.

Senate Amendment 2 - §§190.100 to 190.257 – Time-critical diagnosis and time-critical advisory committee

In response to similar legislation (SB 1020), officials from the **Department of Health and Senior Services (DHSS)** stated the DHSS is responsible for performing surveys related to Time-Critical Diagnosis (TCD) care.

Section 190.200.2 adds trauma centers to the list for which the Department of Health and Senior Services (DHSS) provides the specified services.

Section 190.241 allows site reviews of trauma, stroke, or ST-Elevation Myocardial Infarction (STEMI) centers to occur on-site or by any reasonable means of communication, or by any combination thereof, and requires the site reviews to occur once every three years. Further, removes the requirement for STEMI centers to submit data to DHSS and requires DHSS to access such data through national data registries or data banks. Hospitals will not be found in noncompliance if DHSS fails to obtain the data from the registries.

The Division of Regulation and Licensure (DRL), Section for Health Standards and Licensure (HSL) is responsible for performing surveys related to Time-Critical Diagnosis (TCD) care.

Currently trauma validation surveys are every five years, stroke validation surveys are every four years, and STEMI validation surveys are every three years. The proposed legislation would change the requirements to place all three programs in a three year validation survey cycle.

HSL assumes it will require the following additional FTE beginning September 1, 2022, to meet the requirements of the proposed legislation:

- Two (2) specialized Registered Nurses (salary \$57,670) will be needed to conduct inspections and investigate complaints of the approximately 156 programs. These staff are assumed to be telecommuters and are expected to travel extensively; it is assumed that the travel cost will be \$10,103 annually for each.
- One (1) Research Data Analyst (salary \$51,051) will be needed to account for the data collection, analysis, and patient registry reporting obligations of the department for this legislation.
- One (1) Administrative Support Assistant (salary \$29,428) will be needed to provide support for the program.

HSL assumes a need to access an estimate of ten (10) national data registries or data banks to ensure statutory compliance. HSL estimates subscription cost of access for one Research Data Analyst at approximately \$18,000 per year per data registry or data bank for a total of \$180,000 per year (\$18,000 x 10 subscriptions).

The proposed legislation allows site visits to be conducted by any means of communication. Should a virtual survey be utilized via the use of technology, HSL would need support from ITSD. The State of MO enterprise unified communications (UC) tools could be used for voice

and video calls with screen sharing. Documents could be shared across the secure channels of Box.com or sFTP. Memberships to UC (\$12/mo. per user), Box.com (\$21/mo. per user), and sFTP (\$3/mo. per user) would result in an annual cost of \$432 per user (\$12 + \$21 + \$3 x 12 months). In addition, the proposed legislation would require additional storage in the State Data Center (\$92/mo.) resulting in an annual cost of \$1,104 (\$92 x 12 months).

Section 190.257 establishes the “Time-Critical Diagnosis Advisory Committee” consisting of 16 members. Further, requires DHSS to include travel costs for the members in its budget. HSL assumes the TCD Committee will meet annually. At \$130 per diem reimbursement rate for meal and hotel costs, travel expenses are assumed to be \$2,080 annually (\$130 x 16 members).

Oversight does not have any information to the contrary and will use DHSS estimated costs for fiscal note purposes.

In response to similar legislation (SB 1020), officials from the **Department of Commerce and Insurance** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§191.116 – Alzheimer’s state plan task force

In response to similar legislation (HB 2174), officials from the **Department of Health and Senior Services**, the **Office of the Governor**, the **Missouri House of Representatives** and the **Missouri Senate** 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.

§§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	\$2,726,907	\$2,961,261	\$3,245,230
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 the proposal 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.

§§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.

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

In response to similar legislation (SCS SB 1045), officials from the **Department of Revenue (DOR)** provided the following:

Driver's License Bureau (DLB):

§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. = \$2,110
Total \$15,099

FY 2023 – Personnel Services Bureau

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

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

Motor Vehicle Bureau (MVB):

§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
Total Costs \$1,323

FY 2023 – Strategy and Communications

Research/Data Assistant 10 hrs. @ \$15.80 per hr. = \$158
Research/Data Analyst 10 hrs. @ \$23.55 per hr. = \$236
Total Costs \$394

Total All Cost **\$1,717** (\$1,323 + \$394)

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

Oversight does not have any information to the contrary. Therefore, Oversight assumes the DOR has sufficient staff and resources to absorb the additional duties required by this proposal and will present no fiscal impact for the DO for these sections.

DOR provided ITSD costs associated with proposal. ITSD assumes that every new IT project/system will be bid out because all ITSD resources are at full capacity. The current contract rate for ITSD consultants is \$95/hr. ITSD assumes it will take:

71.28 hours or \$6,772 to update DOR's MEDL (DL) system
71.28 hours or \$6,772 to update DOR's MODL (DL) system
71.28 hours or \$6,772 to update DOR's MORE (MV) system
213.84 total hours x \$95/ hr. = **\$20,316**

This is a one-time cost to the General Revenue Fund.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect DOR/ITSD's fiscal impact for this proposal.

In response to similar legislation (SCS SB 1045), 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's Treasurer invests the money; the impact should exceed \$0. 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.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no fiscal impact for the DHSS for these sections.

§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.

§195.206 – Provisions relating to naltrexone hydrochloride

In response to similar legislation (SB 1037), 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 this section.

§195.815 – Background checks for medical marijuana facilities

In response to similar legislation (HB 1736), officials from the **Department of Health and Senior Services** and **Department of Public Safety, Missouri Highway Patrol** 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 this section.

Repeal of §196.866 and 196.868 – Certain health and licensing requirements

In response to a previous version of this proposal (Perfected HB 2331), **DHSS** officials stated §§196.866 and 196.868, RSMo, would be eliminated from statute, thereby ending frozen dessert licensing. The Bureau of Environmental Health Services (BEHS) currently licenses approximately 2,000 facilities that are required to maintain a frozen dessert license. These licenses are projected to generate approximately \$32,000 in annual general revenue in future years. The proposed legislation would therefore end the collection of that revenue.

§§197.400 and 197.445 – Home health licensing

In response to similar legislation (SB 830), 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.

Bill as a whole

In response to a previous version of this proposal, officials from the **Kansas City Health Department** stated this proposal will have an indeterminate fiscal impact.

Oversight notes the Kansas City Health Department did not indicate whether the impact was positive or negative. Therefore, Oversight assumes any impact that may be incurred by the Health Department will be minimal and absorbable within current funding levels.

Rule Promulgation

In response to a previous version of this proposal, 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 a previous version of this proposal, 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.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Revenue Reduction – Preceptorship Tax Credit (§135.690) p. 3-8 (SA 1)</u>	\$0	(\$111,000)	(\$120,000)
<u>Revenue Gain/Transfer In – Reimbursement For Tax Credit From Medical Preceptor Fund (§135.690) p. 3-7 (SA 1)</u>	\$0	\$111,000	\$120,000
<u>Costs – DHSS (§§190.241 and 190.257) p. 8-9 (SA 2)</u>			
Personal service	(\$163,183)	(\$197,777)	(\$199,755)
Fringe benefits	(\$101,221)	(\$122,176)	(\$122,895)
Data registry access	(\$180,000)	(\$184,500)	(\$189,113)
Equipment and expense	(\$53,735)	(\$35,750)	(\$36,642)
Total Costs - DHSS	(\$498,139)	(\$540,203)	(\$548,405)
FTE Change - DHSS	4 FTE	4 FTE	4 FTE
<u>Costs – DOR (§§301.020 and 302.171)</u>			
ITSD system upgrade costs p. 11-13	(\$20,316)	\$0	\$0
<u>Loss – DHSS (repeal of §§196.868 and 196.868) – frozen desserts - reduction in licensing fees p. 14</u>	(\$26,667)	(\$32,000)	(\$32,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$545,122)	(\$572,203)	(\$580,405)
Estimated Net FTE Change on the General Revenue Fund	4 FTE	4 FTE	4 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
MEDICAL PRECEPTOR FUND			
<u>Revenue Gain – Increase In License Fee For Physicians, Surgeons, and Physician Assistants (§135.690) p. 3-7 (SA 1)</u>	\$0	Up to \$216,155	Up to \$216,155
<u>Cost – DHSS (§135.690) p. 4-5</u>			
Personnel Services	\$0	(\$52,346)	(\$52,870)
Fringe Benefits	\$0	(\$31,599)	(\$31,789)
Equipment & Expense	\$0	(\$20,569)	(\$10,554)
<u>Total Cost – DHSS</u>	<u>\$0</u>	<u>(\$104,514)</u>	<u>(\$95,213)</u>
FTE Change – DHSS (SA 1)	0 FTE	1 FTE	1 FTE
<u>Revenue Reduction/Transfer Out – Reimbursement To GR For Cost Of Tax Credits (§135.690) p. 3-7 (SA 1)</u>	<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>
Estimated Net FTE Effect on the Medical Preceptor Fund	0 FTE	1 FTE	1 FTE
ORGAN DONOR PROGRAM (0824)			
<u>Income – DHSS (§§194.210 -194.304, 301.020 and 302.171) – increased donations p. 13-14</u>	<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 – Local Government</u>	FY 2023 (10 Mo.)	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. (Repeal of §§196.868 and 196.868)

FISCAL DESCRIPTION

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)

The Department shall conduct a site review of a hospital to determine the applicable level of trauma center, STEMI, or stroke center criteria. Under this act, the site review may occur onsite or by any reasonable means of communication or combination thereof. In developing trauma, STEMI, or stroke center designation criteria, the Department shall use, as practicable, peer-reviewed and evidence-based clinical research and guidelines.

Currently, the Department shall conduct an onsite review of every trauma, STEMI, or stroke center every 5 years. Under this act, a site review shall be conducted every 3 years. The Department may deny, place on probation, suspend, or revoke a center's designation if it has determined there has been a substantial failure to comply with certain regulations. Centers that are placed on probationary status shall show compliance with these regulations within 12 months, unless otherwise provided by a settlement agreement with a maximum duration of 18 months.

This act modifies provisions governing alternative trauma, stroke, and STEMI center designations by repealing current law establishing various designation levels and requiring the Department to designate hospitals seeking alternative designation in manner that corresponds to a similar national designation. A hospital receiving a center designation under this provision may have such designation removed upon the request of the hospital or upon a determination by the Department that the organization certifying or verifying the alternative designation has suspended or revoked its designation. This act requires centers receiving alternative designations under this provision to submit to the Department proof of certification or verification and to participate in local and regional emergency services systems for training, sharing educational resources, and collaboration on improving patient outcomes.

This act modifies data submission requirements for designated centers to require submission to either a state or national registry. Additionally, this act repeals requirements that the data collections system meet certain standards.

Under this act, the Department may only establish appropriate fees to offset the costs of center surveys.

This act adds physician assistants to the list of providers who shall instruct ambulance personnel to transport a severely ill patient to a trauma, STEMI, or stroke center.

Failure of a hospital to provide all medical records and quality improvement documentation necessary for the Department to implement the provisions of this act shall result in the revocation of the hospital's designation as a trauma, STEMI, or stroke center.

Finally, this act establishes the "Time-Critical Diagnosis Advisory Committee" within the Department for the purpose of advising and making recommendations to the Department on improving public and professional education related to time-critical diagnosis; cooperative research endeavors; developing standards and policies relating to time-critical diagnosis; and reviewing and recommending community and regional time-critical diagnosis plans. The Director of the Department shall appoint 14 members to the committee, as specified in the act. (§§190.100 to 190.257)

This act modifies provisions of current law relating to the medical student loan program administered by the Department of Health and Senior Services by adding psychiatry, dental surgery, dental medicine, or dental hygiene students to the list of eligible students in the program, as well as adding psychiatric care, dental practice, and dental hygienists to the definition of "primary care". Additionally, this act modifies the loan amount students may be eligible to receive from \$7,500 each academic year to \$25,000 each academic year.

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.

Finally, 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. (§§191.500, 191.515, 191.520, 191.525, 335.230, and 335.257)

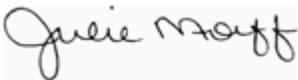
This act modifies the "Revised Uniform Anatomical Gift Act". Currently, moneys in the Organ Donor Program Fund are limited to use for grants by the Department of Health and Senior Services to certified organ procurement organizations for the development and implementation of organ donation programs, publication of informational booklets, maintenance of an organ donor registry, and implementation of organ donation awareness programs in schools. This act modifies the fund to be used by the Department for educational initiatives, donor family recognition efforts, training, and other initiatives, as well as reimbursement for expenses incurred by the Organ Donation Advisory Committee. The Department shall no longer be required to disperse grants to organ procurement organizations, but shall have the authority to enter into contracts with such organizations or other organizations and individuals for the development and implementation of awareness programs. Additionally, the moneys in the fund shall be invested and interest earned shall be credited to the fund. The fund may seek other sources of moneys, including grants, bequests, and federal funds.

Producers of ice cream, mellorine, or other frozen dessert products are required to be licensed by the Department and pay an associated license fee. This act repeals such requirement and fee. (Repeal of §§196.866 and 196.868)

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 and Planning
Department of Commerce and Insurance
Department of Economic Development
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Public Safety – Missouri Highway Patrol
Department of Revenue
Missouri Department of Transportation
Department of Social Services
Office of the Secretary of State
Office of the State Public Defender
University of Missouri
Office of the Governor
Missouri House of Representatives
Missouri Senate
Kansas City Health Department
Newton County Health Department
St. Louis County Health Department
Missouri State University
University of Central Missouri
St. Charles Community College
Office of the State Treasurer
Joint Committee on Administrative Rules
Missouri Office of Prosecution Services
Office of the State Courts Administrator



Julie Morff
Director
May 12, 2022



Ross Strobe
Assistant Director
May 12, 2022