

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4527S.04T  
 Bill No.: Truly Agreed To and Finally Passed SS for SCS for HB 2331  
 Subject: Health Care; Health Care Professionals; Department of Health and Senior Services; Health, Public; Hospitals; Physicians  
 Type: Original  
 Date: June 14, 2022

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	(\$562,545)	(\$593,548)	(\$601,687)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$562,545)</b>	<b>(\$593,548)</b>	<b>(\$601,687)</b>

\*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.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
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
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

\*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.

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

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

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.

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

## FISCAL ANALYSIS

### ASSUMPTION

#### §135.690 – Preceptorship tax credit

Officials from the **Office of Administration – Budget & Planning (B&P)** assume 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 Department of Health and Senior Services and the Department of Commerce and Insurance's Division of Professional Registration on specific revenue impacts.

Officials from the **Missouri Department of Commerce and Insurance (DCI)** state 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.

Officials from the **Department of Health and Senior Services (DHSS)** assume 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 department for the administration of the tax credit program...” with “the department” defined as the department of health and senior services. As the proposed legislation provides the department the authority to utilize the funds for administration of the program, the department assumes that the revenue generated by the license fee increase will be sufficient to offset all administrative costs.

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 DHSS 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 111 tax credits (at \$1,000) or 37 tax credits (at \$3,000) will be available in the Fiscal Year 2023. Consequently, **Oversight** estimates a range of 120 tax credits (\$1,000) and 40 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 Health and Senior Services can allow additional preceptorship credits to be claimed.

This proposal requires the Division of Professional Registration and the Department of Health and Senior Services are 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.

Officials from the **Missouri State Treasurer’s Office (STO)** state this proposal will require 1 FTE Analyst to administer this fund. Costs to the General Revenue Fund, including salary, fringe benefits and equipment and expense, are anticipated to be \$76,528 for FY 2023, \$80,814 for FY 2024 and \$81,605 for FY 2025.

**Oversight** notes the provisions of §135.690 are very similar to the provisions contained in **TAFP HCS SB 718 from the current session**. The STO indicated the provisions §135.690 in HCS SB 718 would have **no fiscal impact** on their organization. Oversight assumes the provisions of §135.690 in this bill will also have no material fiscal impact on the STO.

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

Officials from the **DHSS** state 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 \$60,842) 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 \$53,805) 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 \$31,200) 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.

§§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 **DHSS** stated this these provisions would not create a fiscal impact on their organization.

**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 **Missouri State University** stated this bill has a positive fiscal impact of an undetermined amount.

In response to similar legislation (SB 757), officials from **St. Charles Community College** assumed the proposal would 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 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 **Newton County Health Department** and the **St. Louis County Health Department** 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

Officials from the **Department of Revenue (DOR)** provide 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 DOR 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.

Officials from the **Department of Health and Senior Services (DHSS)** state §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.

Officials from the **B&P** state the provisions of §194.297 expand the types of contributions the Organ Donor Program Fund may accept including grants, gifts, bequests, federal funds, or other sources of funding granted or given. Additionally, any balance above \$500,000 that is not needed for immediate disbursement or expenditures shall be invested. Any earnings from investments shall be credited to the Organ Donor Program Fund. These expanded contributions and earnings may increase TSR by an unknown amount.

In addition, B&P officials state §§301.020 and 302.171 would increase the allowable amount individuals may donate to the Organ Donor Program Fund. The current limit is \$1, but these provisions remove that limit to allow any donation size. To the extent that individuals take advantage of the ability to donate more than the current \$1 limit into the Organ Donor Program Fund, this proposal could increase TSR by an unknown amount. DOR is allowed to retain up to one percent of all donations to this fund to cover administrative costs. All remaining funds would be deposited into the Organ Donor Program Fund and utilized to administer the program.

#### §195.815 – Background checks for medical marijuana facilities

Officials from the **B&P** state this provision amends the individuals employed by or affiliated with a medical marijuana facility who must undergo a fingerprint-based criminal background check. The Missouri State Highway Patrol (MHP) Criminal Justice Information Services (CJIS) Division processes all state and federal fingerprint background checks. The CJIS has the following fee structure for background checks:

State fee: \$20.00

Vendor Fee: \$8.50

FBI fee: \$13.25

Total fees: \$41.75

The state retains the \$20 state fee and \$2 of the FBI fee (\$22 total retained by the state). All fees collected will be deposited in the MHP Criminal Records System Fund. MHP verified that over 90% of background checks are conducted using third party vendor, IDEMIA, who charges the applicant an \$8.50 fee which is kept by IDEMIA. The applicant pays the full fee of \$41.75 to the vendor and MSHP then collects the full state and FBI fees (\$33.25) from the vendor each month. The FBI bills MSHP monthly, and MSHP pays the FBI their portion of the FBI fee out of the MSHP Criminal Records System Fund. This would increase TSR by an unknown amount.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume the proposal will have no fiscal impact on their organization.

**Oversight** contacted the MHP regarding the potential fiscal impact on the Criminal Records System Fund of performing the additional background checks required by the provisions of this proposal. MHP officials do not anticipate a significant increase in the amount of revenue coming in from the revisions made to this section. Changes to this section were made to better meet the requirements for the FBI Criminal Justice Information Law Unit.

Therefore, based on MHP's additional information, **Oversight** assumes no fiscal impact to the Criminal Records System Fund or the MHP for purposes of this fiscal note.

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

**DHSS** officials state §§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.

Officials from the **B&P** state these sections are repealed which removes the additional licensure required by frozen dessert manufacturers and retailers. In FY 2021, the program generated \$32,165 in revenue which is deposited in GR. Thus, this will reduce GR and TSR by \$32,165 in FY 2023 and annually thereafter.

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

**Oversight** will reflect the loss of fees collected as provided by the DHSS for fiscal note purposes.

#### Bill as a whole

Officials from the **University of Central Missouri (UCM)** state this proposal will have an indeterminate fiscal impact on their organization.

**Oversight** does not have any information to the contrary. However, Oversight assumes the fiscal impact on UCM will not be significant, either positively or negatively, and therefore, further assumes UCM will be able to absorb any potential impact within current funding levels.

Officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Mental Health**, the **Department of Corrections**, the **Department of Social Services**, the **Missouri Department of Transportation**, the **University of Missouri System**, the **Office of the State Public Defender**, the **Office of the Governor**, the **Missouri House of Representatives**, the **Missouri Senate**, 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.

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

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

Officials from the **Office of the Secretary of State (SOS)** note 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
<b>GENERAL REVENUE FUND</b>			
<u>Revenue Reduction – Preceptorship Tax Credit</u> (§135.690) p. 4-7	\$0	(\$111,000)	(\$120,000)
<u>Revenue Gain/Transfer In – Reimbursement For Tax Credit From Medical Preceptor Fund</u> (§135.690) p. 4-7	\$0	\$111,000	\$120,000
<u>Costs – DHSS</u> (§§190.241 and 190.257) p. 8-9			
Personal service	(\$172,241)	(\$208,756)	(\$210,843)
Fringe benefits	(\$104,512)	(\$126,166)	(\$126,924)
Data registry access	(\$180,000)	(\$184,500)	(\$189,113)
Equipment and expense	(\$58,809)	(\$42,126)	(\$42,807)
<u>Total Costs - DHSS</u>	<u>(\$515,562)</u>	<u>(\$561,548)</u>	<u>(\$569,687)</u>
FTE Change - DHSS	4 FTE	4 FTE	4 FTE
<u>Costs – DOR</u> (§§301.020 and 302.171)			
ITSD system upgrade costs p. 11-13	(\$20,316)	\$0	\$0
<u>Loss – DHSS</u> (repeal of §§196.868 and 196.868) – frozen desserts - reduction in licensing fees p. 14	(\$26,667)	(\$32,000)	(\$32,000)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$562,545)</u></b>	<b><u>(\$593,548)</u></b>	<b><u>(\$601,687)</u></b>
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
<b>MEDICAL PRECEPTOR FUND</b>			
<u>Revenue Gain – Increase In License Fee For Physicians, Surgeons, and Physician Assistants (§135.690) p. 4-7</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	0 FTE	1 FTE	1 FTE
<u>Revenue Reduction/Transfer Out – Reimbursement To GR For Cost Of Tax Credits (§135.690) p. 4-7</u>	<u>\$0</u>	<u>Up to (\$111,000)</u>	<u>Up to (\$120,000)</u>
<b>ESTIMATED NET EFFECT ON MEDICAL PRECEPTOR FUND</b>	<b><u>\$0</u></b>	<b><u>Up to or could exceed \$641</u></b>	<b><u>Up to or could exceed \$942</u></b>
Estimated Net FTE Effect on the Medical Preceptor Fund	0 FTE	1 FTE	1 FTE
<b>ORGAN DONOR PROGRAM (0824)</b>			
<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>
<b>ESTIMATED NET EFFECT ON THE ORGAN DONOR PROGRAM</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>

<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

MEDICAL PRECEPTORSHIP TAX CREDIT (Section 135.690, RSMo)

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 Division of Professional Registration within the Department of Commerce and Insurance 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 Department 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 departments of Commerce and Insurance and 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 departments of Commerce and Insurance and Health and Senior Services will jointly promulgate rules implement the provisions of this bill.

EMERGENCY HEALTH CARE SERVICES (Sections 190.100, 190.101, 190.103, 190.176, 190.200, 190.241, 190.243, 190.245, and 190.257)

The bill establishes the "Time-Critical Diagnosis Advisory Committee" whose members are appointed by the Department of Health and Senior Services as outlined in the bill for the purpose of improvement of public and professional education related to time critical diagnosis, research endeavors, policies and recommendations for changes. The bill makes several other changes related to trauma, STEMI, and stroke care and centers.

MEDICAL STUDENT LOAN PROGRAMS (Sections 191.500, 191.515, 191.520, 191.525, 335.230, and 335.257)

This bill 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 bill modifies the loan amount students may be eligible to receive from \$7,500 each academic year to \$25,000 each academic year.

This bill 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.

This bill 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.

OVERSIGHT OF HEALTH CARE FACILITIES (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)

Currently, the Department of Health and Senior Services conducts at least two inspections per year for licensed adult day care programs, at least one of which is unannounced. As specified in this bill, the Department will be required to conduct at least one unannounced inspection per year.

Currently, the Department conducts an annual inspection of licensed hospitals. Under this bill, such inspections would instead be performed in accordance with the schedule set forth under federal Medicare law.

A hospice currently seeking annual renewal of its certification will be inspected by the Department of Health and Senior Services. Under this bill, the Department may conduct a survey to evaluate the quality of services rendered by the applicant. Additionally, current law requires annual inspections of a certified hospice and this bill instead requires such inspections to be performed in accordance with the schedule set forth under federal Medicare law.

Currently, the Department conducts an inspection of licensed home health agencies at least every one to three years, depending on the number of months the agency has been in operation following the initial inspection. Under this bill, such inspections will instead be performed in accordance with the schedule set forth under federal Medicare law. This bill updates a reference to a Missouri regulation regarding long-term care facility orientation training. Current law requires the Department to inspect long-term care facilities at least twice a year, one of which will be unannounced. Under this bill, the Department will be required to conduct at least one unannounced inspection per year. Additionally, current law requires that the Department issue a notice of noncompliance or revocation of a license by certified mail to each person disclosed to be an owner or operator of a long-term care facility. This bill instead requires that such notice be sent by a delivery service to the operator or administrator of the facility.

Finally, this bill modifies the "Missouri Informal Dispute Resolution Act" relating to informal dispute resolutions between the Department of Health and Senior Services and licensed long-term care facilities. Current law requires the Department to send to a facility by certified mail a statement of deficiencies following an inspection. This bill requires that such notice be sent by a delivery service that provides dated receipt of delivery. Additionally, current law provides a facility 10 calendar days following receipt of notice to return a plan of correction to the Department. This bill changes the 10 calendar days to 10 working days.

ORGAN DONATION (Sections 194.210, 194.255, 194.265, 194.285, 194.290, 194.297, 194.299, 194.304, 194.321, 301.020, and 302.171)

This bill 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 will no longer be required to disperse grants to organ procurement organizations, but will 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 will be invested and interest earned will be credited to the fund. The fund may seek other sources of moneys, including grants, bequests, and federal funds.

Currently, applicants for motor vehicle registrations and driver's licenses may make a \$1.00 donation to the Organ Donor Program Fund. This act changes that to a donation of not less than \$1.00. This act provides no hospital, physician, procurement organization, or other person may consider COVID-19 vaccination status of a potential organ transplant recipient or donor at any stage in organ transplant processing.

#### MEDICAL MARIJUANA FACILITY BACKGROUND CHECKS (Section 195.815)

Currently, all owners, officers, managers, contractors, employees, and other support staff of licensed or certified medical marijuana facilities must submit fingerprints to the State Highway Patrol for state and federal criminal background checks. Additionally, the Department of Health and Senior Services may require fingerprint submissions of owners, officers, managers, contractors, employees, and other support staff for licensure authorizing that person to own or work at a medical marijuana facility. This bill limits those individuals that must submit to such fingerprinting to employees, contractors, owners, and volunteers. This bill provides a definition of contractor for purposes of the provisions of the bill.

#### HOME HEALTH LICENSING (Sections 197.400 and 197.445)

Current law limits licensed home health agencies to those that provide two or more home health services at the residence of a patient according to a physician's written and signed plan of treatment. This bill permits such licensed entities to provide treatment according to written plans signed by physicians, nurse practitioners, clinical nurse specialists, or physician assistants, as specified in the bill. Currently, physicians or health care providers who are providing services to women with high-risk pregnancies are required to identify such women and report them to the Department of Health and Senior Services within 72 hours for referral for services. The provision authorizing Department services for such women has previously been repealed and this bill repeals the reporting requirements for the physicians and health care providers.

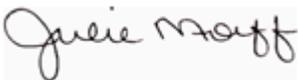
#### REPEAL OF CERTAIN STATUTES RELATING TO THE DUTIES OF THE DEPARTMENT OF HEALTH AND SENIOR SERVICES (Sections 191.743, 196.866, and 196.868)

Additionally, producers of ice cream, mellorine, or other frozen dessert products are currently required to be licensed by the Department and pay an associated license fee. This bill repeals such requirement and fee.

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

SOURCES OF INFORMATION

Office of Administration - Budget and Planning  
Department of Commerce and Insurance  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Health and Senior Services  
Department of Mental Health  
Department of Corrections  
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



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