

**U**nder this heading will appear the text of proposed rules and changes. The notice of proposed rulemaking is required to contain an explanation of any new rule or any change in an existing rule and the reasons therefor. This is set out in the Purpose section with each rule. Also required is a citation to the legal authority to make rules. This appears following the text of the rule, after the word "Authority."

**E**ntirely new rules are printed without any special symbology under the heading of the proposed rule. If an existing rule is to be amended or rescinded, it will have a heading of proposed amendment or proposed rescission. Rules which are proposed to be amended will have new matter printed in boldface type and matter to be deleted placed in brackets.

**A**n important function of the *Missouri Register* is to solicit and encourage public participation in the rule-making process. The law provides that for every proposed rule, amendment or rescission there must be a notice that anyone may comment on the proposed action. This comment may take different forms.

**I**f an agency is required by statute to hold a public hearing before making any new rules, then a Notice of Public Hearing will appear following the text of the rule. Hearing dates must be at least 30 days after publication of the notice in the *Missouri Register*. If no hearing is planned or required, the agency must give a Notice to Submit Comments. This allows anyone to file statements in support of or in opposition to the proposed action with the agency within a specified time, no less than 30 days after publication of the notice in the *Missouri Register*.

**A**n agency may hold a public hearing on a rule even though not required by law to hold one. If an agency allows comments to be received following the hearing date, the close of comments date will be used as the beginning day in the 90-day-count necessary for the filing of the order of rulemaking.

**I**f an agency decides to hold a public hearing after planning not to, it must withdraw the earlier notice and file a new notice of proposed rulemaking and schedule a hearing

Proposed Amendment Text Reminder:

**Boldface text indicates new matter.**

*[Bracketed text indicates matter being deleted.]*

**Title 2—DEPARTMENT OF AGRICULTURE  
Division 110—Office of the Director  
Chapter 1—Missouri Qualified Fuel Ethanol Producer  
Incentive Program**

**PROPOSED AMENDMENT**

**2 CSR 110-1.010 Description of General Organization; Definitions; Requirements of Eligibility, Licensing, Bonding, and Application for Grants; Procedures for Grant Disbursements; Recordkeeping Requirements, and Verification Procedures for the Missouri Qualified Fuel Ethanol Producer Incentive Program.** The director is amending subsection (5)(D) and removing the forms that follow this rule in the *Code of State Regulations*.

*PURPOSE: This amendment removes the forms following the rule from the Code of State Regulations and removes unnecessary bonding requirement language.*

(5) Bonding Requirements.

(D) The amount of the bond will be computed by multiplying the MQFEP's estimated maximum annual production of Missouri produced qualified fuel ethanol by twenty cents (20¢) per gallon for the first twelve and one-half (12.5) million gallons, plus five cents (5¢) per gallon for the next twelve and one-half (12.5) million gallons and then *[multiplying the number of months each Missouri plant will be in production during the fiscal year and then]* dividing by twelve (12).

*AUTHORITY: section 142.028, RSMo [1994] Supp. 1999. Original rule filed June 14, 1995, effective Dec. 30, 1995. Amended: Filed June 13, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Office of Director, Department of Agriculture, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 4—DEPARTMENT OF ECONOMIC  
DEVELOPMENT**

**Division 255—Missouri Board for Respiratory Care  
Chapter 4—Continuing Education Requirements**

**PROPOSED AMENDMENT**

**4 CSR 255-4.010 Continuing Education Requirements.** The board is proposing to delete subsection (9)(B) and reletter the remaining subsections accordingly.

*PURPOSE: This amendment modifies the documentation of continuing education that may be submitted to the board.*

(9) Upon request of the board, the licensee shall provide all documentation of completion of continuing educational activities. Documentation of the continuing education may consist of—

*[(B) Receipts for fees paid to the sponsor;]*

*[(C)] (B) American Association for Respiratory Care or its successor organization(s) report of continuing education credits;*

*[(D)] (C) Educational transcripts from an accredited respiratory care educational program; or*

*[(E)] (D) A letter from the board showing approval of the continuing education hours and documentation of attendance at said program.*

*AUTHORITY: sections 334.800, 334.840.2, 334.850, 334.910, and 334.920, RSMo Supp. 1999. Original rule filed June 25, 1998, effective Jan. 30, 1999. Amended: Filed Dec. 30, 1999, effective June 30, 2000. Amended: Filed June 2, 2000.*

*PUBLIC COST: This proposed amendment is estimated to cost state agencies and political subdivisions less than \$500 in the aggregate.*

*PRIVATE COST:* This proposed amendment is estimated to cost private entities less than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Board of Respiratory Care, P.O. Box 1335, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 7—DEPARTMENT OF HIGHWAYS AND  
TRANSPORTATION**  
**Division 10—Missouri Highway and Transportation  
Commission**  
**Chapter 1—Organization**

**PROPOSED RESCISSION**

**7 CSR 10-1.010 Description, Organization and Information.**  
This rule complied with section 536.023, RSMo which requires each state agency to adopt as a rule a description of its operation and the methods whereby the public may obtain information or make submissions or requests.

*PURPOSE:* This rule is proposed for rescission to reflect the current organizational structure of the Missouri Department of Transportation and to provide accurate addresses and phone numbers for contacting employees of the department.

*AUTHORITY:* section 536.023, RSMo 1986. Original rule filed Oct. 14, 1976, effective March 1, 1977. Amended: Filed March 4, 1983, effective June 15, 1983. Rescinded: Filed June 13, 2000.

*PUBLIC COST:* This proposed rescission will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rescission will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed rescission with the Department of Transportation, Mari Ann Winters, Secretary to the Commission, P.O. Box 270, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 7—DEPARTMENT OF TRANSPORTATION**  
**Division 10—Missouri Highways and Transportation  
Commission**  
**Chapter 1—Organization**

**PROPOSED RULE**

**7 CSR 10-1.010 Description, Organization and Information**

*PURPOSE:* This rule complies with section 536.023, RSMo which requires each state agency to adopt as a rule a description of its operation and the methods whereby the public may obtain information or make submissions or requests.

(1) The Missouri Department of Transportation (MoDOT) was established by legislation passed in 1996 that changed the name of the Highway and Transportation Department to MoDOT. The Highway and Transportation Department was formed when voters approved Constitutional Amendment 2 in November, 1979, merging the previously separate Highways and Transportation

Departments. MoDOT is guided by the Missouri Highways and Transportation Commission, which appoints a department director as chief executive officer. The number, qualifications, compensation and terms of the members of the commission are fixed by law. The commission has authority over all state transportation programs and facilities as provided by Article IV, Sections 29, 30(a), 30(b) and 30(c) of the *Missouri Constitution*. Under Chapter 226, RSMo, the bi-partisan Highways and Transportation Commission is composed of six (6) members and is the governing body of MoDOT. Commission members are appointed by the governor, by and with the consent of the senate, for terms of six (6) years. Not more than three (3) can be members of the same political party. The director of MoDOT, as the chief executive officer; chief counsel, as legal advisor to the commission; and secretary, as record keeper for the commission, are appointed by the commission. MoDOT's mission is to preserve and improve Missouri's transportation system to enhance safety and encourage prosperity. MoDOT is responsible for the location, design, construction and maintenance of the state's highway system. MoDOT coordinates and cooperates with the owners and operators of transportation facilities and services, which include air, rail, ports, waterborne commerce and transit. MoDOT works with these groups in the development and improvement of airports, rail facilities, ports, waterborne commerce and public and special transit systems. MoDOT administers federal and state funds for various transportation programs, as these funds become available. In carrying out these functions, MoDOT works closely with local governments and citizens of the state in the planning and development of these programs, services and facilities.

(2) The commission appoints a director, a chief counsel and a secretary under Chapter 226, RSMo.

(A) General Management.

1. The director is the chief executive officer and serves at the discretion of the commission. The director, with the consent and approval of the commission, appoints a chief engineer, chief operating officer, chief financial officer and other leaders and employees as the commission may designate and deem necessary. Under the direction of the commission, the director is responsible for the overall operations and performance of the department and prescribes the duties and authority of leaders and employees. The selection and removal of all employees is without regard to political affiliation. The director appoints a chief engineer, chief operating officer, chief financial officer and other administrators with duties as follows:

A. The chief engineer is responsible for preparation and approval of all engineering documents, plans and specifications. This position provides general oversight of all design, construction and maintenance work for the department as determined by the director.

(I) The director of operations has the overall responsibility for construction, materials, traffic and maintenance, and other activities related to them.

(II) The director of project development has the overall responsibility for right-of-way, and highway and bridge design functions.

B. The chief operating officer is responsible for all administrative operations of MoDOT. This position provides general oversight of financial and business planning, information technology and other administrative and financial functions as determined by the director.

(I) The director of planning is responsible for coordinating MoDOT's strategic plan and multimodal operations, as well as managing all aspects of transportation planning including condition analysis, research development and technology, project programming, long-range needs identification and transportation policy analysis.

(II) The chief financial officer has the overall responsibility for the business planning, accounting, reporting and interpreting, information systems, insurance and liability functions.

(III) The director of administrative services has overall responsibility for human resource programs and general services provided to MoDOT.

C. The inspector general is responsible for ensuring the integrity in the operations of the department, resolving conflicts and carrying forward MoDOT's commitment to equal employment opportunity and affirmative action both internally and with the contractors with whom MoDOT does business.

D. The public affairs director is responsible for disseminating information on the activities of the commission and MoDOT to the public and to MoDOT personnel. Public affairs coordinates customer comment to MoDOT through public involvement meetings, customer service representatives, and surveys. Public affairs helps MoDOT communicate with news media through news releases and personal contact. Public affairs also improves MoDOT contact with customers by preparing speeches, publications, displays and plans for communication and marketing.

E. The director of governmental affairs is responsible for providing liaison between MoDOT, congressional delegations, and the Missouri Legislature. Staff members disseminate information regarding proposed legislation affecting MoDOT; and analyze the content of legislation, legislative proposals, and policy options.

2. The chief counsel advises and represents the commission and the director in all actions and proceedings to which either may be a party or in proceedings under Chapters 226 and 227, RSMo or with respect to any law administered by the commission or any order or proceeding of the commission. S/he is directly responsible for all contracts, conveyances, agreements or other documents affecting the commission, property held or acquired by it and any action taken by the commission. The chief counsel, with commission approval, appoints assistant counsel as necessary to represent the commission and the department.

3. The commission secretary is responsible for maintaining records of all proceedings of the commission and is the custodian of all records, documents and papers filed with the commission.

(B) MoDOT pursues its mission through the following offices:

1. Audit and business analysis is responsible for providing internal control and audit assurance to MoDOT and the commission. Responsibilities include conducting internal reviews of division and district operations to ensure the integrity of financial management in all areas of cost generation and payments.

2. Bridge is responsible for the structural design and detailed plans production for all state highway bridges, including cost estimates and site-specific job special provisions. Additional responsibilities include maintaining the National Bridge Inventory, recommending load posting limits for both state and non-state bridges, and analyzing structures for special superload overweight permit loads traveling within the state.

3. Business and benefits support is responsible for providing administrative support to MoDOT in the areas of accounting, expenditure control and benefits.

4. Construction is responsible for administering all construction contracts awarded by the commission. Contracts are awarded through the competitive bid process, and then work is assigned to project offices located geographically throughout the state. Engineers and technicians assigned to these project offices do field surveying and perform quality control tests on the work performed by contractors to ensure quality construction that improves Missouri's transportation system.

5. Design is responsible for the location, environmental, and cultural resource studies required for initial evaluation of proposed projects; detailed route studies, ground surveys and aerial photography; and design and plan preparation including cost estimates for the state transportation projects. Design advertises and makes all preparations for receiving bids for transportation project contracts

including the development of specifications and cost estimates prior to advertising for bids.

6. General services is responsible for proper maintenance and repair of equipment and facilities owned by the commission, as well as the procurement of all equipment, materials, supplies, parts and furniture required for operations of MoDOT. Responsibilities also include various support services such as mapping and graphics, photography, warehousing and flight operations.

7. Human resources is responsible for continually developing and improving human resource processes that support MoDOT and its employees in contributing to a quality transportation system. Responsibilities include recruiting nationally for college graduates for placement throughout the state and administering employee development programs, personnel policies, the department's pay system and personnel records.

8. Information systems is responsible for providing and improving information and communication services used by employees of MoDOT through the operation and maintenance of local and statewide data networks and telephone services. Information systems staff provide applications programming expertise to support the engineering, financial, operational and general information needs of MoDOT.

9. Maintenance is responsible for assisting and supporting maintenance activities for the preservation and operation of the state highway system.

10. Materials is responsible for sampling and testing of all materials used in the construction and maintenance of roadways and structures to insure compliance with applicable standards and specifications. Materials personnel analyze pavement designs, roadway foundations, asphaltic concrete and portland cement mixtures, as well as carry out soil and subsurface condition surveys and furnish geotechnical information for the design, construction and maintenance of roads and structures.

11. Multimodal operations is responsible for administering state and federal programs and funds by coordinating and cooperating with owners and operators of the various nonhighway transportation systems which include air, rail, waterways and transit.

A. The aviation section is responsible for developing aviation facilities and services.

B. The railroads section is responsible for improving rail freight and passenger service by working with federal agencies and the railroads.

C. The waterways section is responsible for developing and promoting appropriate use of navigable waterways, including the development of ports.

D. The transit section is responsible for developing or assisting in developing public transit systems, including systems for the elderly and handicapped, in both urban and rural areas.

12. Research and development technology is responsible for conducting research in the area of new products and construction materials and methods to determine their suitability for highway purposes.

13. Resource management is responsible for coordinating financial resources and spending plans through forecasting, analysis and training.

14. Right-of-way is responsible for acquisition of right-of-way required for the construction and maintenance of all highways in addition to properties incidental to the system of state highways in Missouri, and provides relocation assistance for all persons displaced by the commission's right-of-way acquisition. Right-of-way administers the disposal or lease of land considered excess to commission needs, the regulation of outdoor advertising billboards and junkyards adjacent to state highways, and the scenic byway program.

15. Risk management is responsible for administration of the MoDOT's self-insurance operations and is responsible for workers' compensation, fleet liability, general liability and property

damage recovery. Also included under the risk management umbrella are the safety and health programs.

16. Strategic planning and policy is responsible for developing and implementing MoDOT's strategic plan; regulation review and compliance; and policy development.

17. Traffic is responsible for the safe and efficient movement of people and goods on the state highway system. This includes supporting signing, striping, traffic signals, lighting, intelligent transportation systems (ITS), roadway access and safety management programs throughout the state.

18. Transportation planning is responsible for collecting, managing and analyzing data to provide a single source of information to support MoDOT's decision process; developing and tracking the 5-Year Highway and Bridge Construction Schedule and the Statewide Transportation Improvement Program; coordinating MoDOT's local programs; and developing and coordinating a long range, total transportation system for MoDOT.

(C) Missouri is geographically divided into ten (10) Department of Transportation districts with a district office in each district. Each district office is led by a district engineer who is responsible for supervising all activities of the MoDOT within that particular district. The following counties are included in the indicated district: District 1 includes: Andrew, Atchison, Buchanan, Caldwell, Clinton, Daviess, DeKalb, Gentry, Harrison, Holt, Nodaway and Worth; District 2 includes: Adair, Carroll, Chariton, Grundy, Howard, Linn, Livingston, Macon, Mercer, Putnam, Randolph, Saline, Schuyler and Sullivan; District 3 includes: Audrain, Clark, Knox, Lewis, Lincoln, Marion, Monroe, Montgomery, Pike, Ralls, Scotland, Shelby and Warren; District 4 includes: Cass, Clay, Henry, Jackson, Johnson, Lafayette, Platte and Ray; District 5 includes: Benton, Boone, Callaway, Camden, Cole, Cooper, Gasconade, Maries, Miller, Moniteau, Morgan, Osage and Pettis; District 6 includes: Franklin, Jefferson, St. Charles, St. Louis, and the City of St. Louis; District 7 includes: Barry, Barton, Bates, Cedar, Dade, Jasper, Lawrence, McDonald, Newton, St. Clair and Vernon; District 8 includes: Christian, Dallas, Douglas, Greene, Hickory, Laclede, Ozark, Polk, Stone, Taney, Webster and Wright; District 9 includes: Carter, Crawford, Dent, Howell, Iron, Oregon, Phelps, Pulaski, Reynolds, Ripley, Shannon, Texas and Washington; and District 10 includes: Bollinger, Butler, Cape Girardeau, Dunklin, Madison, Mississippi, New Madrid, Pemiscot, Perry, Scott, St. Francois, Ste. Genevieve, Stoddard and Wayne.

(D) Although attached to the commission or MoDOT by law for organizational purposes, the following commissions, authorities and districts operate independently of MoDOT: the Missouri-Illinois Bridge Commission—Ste. Genevieve; the Missouri-Illinois Bridge Commission—Canton; the Missouri-Illinois-Jefferson-Monroe Bridge Commission; the Missouri-Tennessee Bridge Commission; the Bi-State Metropolitan Development District; the Missouri-St. Louis Metropolitan Airport Authority; the Kansas City Area Transportation Authority District; and the Mississippi River Parkway Commission. The Mississippi River Parkway Commission is authorized by sections 226.440–226.465, RSMo. All the other entities are authorized by section 14 of the Omnibus State Reorganization Act of 1974.

(3) The official residence of the commission, as well as the offices of the director, chief counsel, commission secretary and divisions of MoDOT, is the State Highways and Transportation Building in Jefferson City, Missouri. Written inquiries by the public should be addressed to the Commission Secretary, State Highways and Transportation Building, P.O. Box 270, Jefferson City, MO 65102. The general information telephone number is (573) 751-2551. Inquiries may be made via E-mail by sending electronically to [comments@mail.modot.state.mo.us](mailto:comments@mail.modot.state.mo.us). Information from any district office of the department may be obtained in person, by writing or by telephoning the District Engineer, Missouri Department of Transportation: District 1, 3602 North Belt Highway, P.O. Box

287, St. Joseph, MO 64502, (816) 387-2350; District 2, U.S. Route 63, P.O. Box 8, Macon, MO 63552, (660) 385-3176; District 3, 1711 South Route 61, P.O. Box 1067, Hannibal, MO 63401, (573) 248-2490; District 4, 600 NE Colbern Rd., P.O. Box 648002, Lee's Summit, MO 65064, (816) 622-6500; District 5, 1511 Missouri Boulevard, P.O. Box 718, Jefferson City, MO 65102, (573) 751-3322; District 6, 1590 Woodlake Drive, Chesterfield, MO 63017, (314) 340-4100; District 7, 3901 East 32nd Street, P.O. Box 1445, Joplin, MO 64802, (417) 629-3300; District 8, 3025 East Kearney, M.P.O. Box 868, Springfield, MO 65801, (417) 895-7600; District 9, 910 Springfield Rd., P.O. Box 220, Willow Springs, MO 65793, (417) 469-3134; and District 10, 2675 N. Main Street, P.O. Box 160, Sikeston, MO 63801, (573) 472-5333.

*AUTHORITY: section 536.023, RSMo Supp. 1999. Original rule filed Oct. 14, 1976, effective March 1, 1977. Amended: Filed March 4, 1983, effective June 15, 1983. Rescinded and readopted: Filed June 13, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: The private entity cost for this proposed rule is estimated to be less than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule by submitting comments in writing to Secretary to the Commission, Missouri Department of Transportation, P.O. Box 270, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

## Title 12—DEPARTMENT OF REVENUE Division 10—Director of Revenue Chapter 23—Motor Vehicle

### PROPOSED AMENDMENT

**12 CSR 10-23.446 Notice of Lien.** The director proposes to amend section (2).

*PURPOSE: This amendment removes the alternative method of perfecting liens. The amendment eliminates any transition procedures and provides for the sole method and procedure for perfection of a lien.*

(2) A notice of lien for a motor vehicle, trailer, all terrain vehicle, boat or outboard motor *[may]* shall be *[either]* in a form provided or approved by the director of revenue entitled "Notice of Lien" *[or the lienholder's copy of the application for title and registration, and in either case]* and contain~~ing~~ the following information:

*AUTHORITY: sections 301.600 and 306.400, RSMo Supp. 1999. Emergency rule filed Aug. 18, 1999, effective Aug. 28, 1999, expired Feb. 23, 2000. Original rule filed Aug. 18, 1999, effective Feb. 29, 2000. Amended: Filed June 13, 2000.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Department of Revenue, Office of Legislation and Regulations,*

P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 12—DEPARTMENT OF REVENUE**  
**Division 10—Director of Revenue**  
**Chapter 103—Sales/Use Tax—Imposition of Tax**

**PROPOSED RULE**

**12 CSR 10-103.370 Manufactured Homes**

*PURPOSE: Sections 144.044 and 700.010, RSMo create a partial tax exemption for new manufactured homes and an exclusion for qualifying used manufactured homes. This rule interprets the tax law as it applies to the sale of manufactured homes. This rule also identifies charges included as part of the retail sale price of the manufactured home.*

(1) In general, the retail sale of a new manufactured home is considered to be a sale of sixty percent (60%) tangible personal property and forty percent (40%) service. The sixty percent (60%) portion of the sale price is subject to tax. The sale of a used manufactured home upon which Missouri tax has already been paid is not subject to tax. The sale of a used manufactured home on which Missouri tax has not already been paid is subject to tax on one hundred percent (100%) of the sale price.

(2) Definition of Terms.

(A) Dealer—any person, other than a manufacturer, who sells or offers for sale four or more manufactured homes, recreational vehicles or modular units in any twelve (12)-month period.

(B) Manufactured home—a factory built structure designed to be used as a dwelling unit with or without permanent foundation, equipped with the necessary service connections and made to be readily moveable on its own running gear. A modular unit is not a manufactured home and is subject to the same tax rules that apply to a building constructed by a contractor.

(C) Setup—the services performed for the purchaser at the occupancy site including but not limited to, moving, blocking, leveling, supporting and assembling multiple or expandable units.

(3) Basic Application of Tax.

(A) Dealers selling new manufactured homes must collect and remit tax on sixty percent (60%) of the gross receipts from these sales. The dealer must provide the buyer of a new manufactured home a signed receipt confirming that tax has been paid.

(B) The owner of a new manufactured home must produce a signed receipt for the tax on the purchase price of the new manufactured home when applying for title. If the owner fails to present a signed receipt, the owner must remit the tax due on the new manufactured home prior to title being issued.

(C) The sale of a used manufactured home upon which Missouri tax has already been paid is not subject to Missouri tax. The sale of a used manufactured home upon which Missouri tax has not been previously paid is subject to tax on one hundred percent (100%) of the purchase price unless the used manufactured home meets the requirements of section 700.111, RSMo.

(D) The transfer of the ownership of or title to a manufactured home involving the assumption of the obligation to pay for the home is considered a sale at retail of the manufactured home subject to tax unless Missouri tax has been previously paid.

(E) The new manufactured home dealer is responsible for collecting tax on sixty percent (60%) of the retail sale price. The retail sale price includes additional tangible personal property installed by the manufacturer. Any other tangible personal property added by a dealer should be separately stated and taxed at one hundred percent (100%) of the sale price.

(F) A dealer may separately state charges for setup and installation. These charges would not be subject to tax because the dealer is performing a service. The dealer should pay tax, at the time of purchase, on any materials used in performing these services. Setup and installation can include but are not limited to adding a deck to the home or pouring concrete slabs as a foundation for the home.

(G) The dealer should pay tax, at the time of purchase, on items that are attached to a used manufactured home on which Missouri tax was previously paid. The dealer should purchase items attached to a used manufactured home on which Missouri sales tax has not been paid under a sale for resale exclusion.

(4) Examples.

(A) A customer ordered a new manufactured home from a dealer. The manufacturer included an installed stove, refrigerator, and washer/dryer for a total package price of \$35,000. The customer requested the dealer to deliver and set up the manufactured home. The dealer separately states these charges from the package price. Tax is due on sixty percent (60%) of \$35,000 or \$21,000. The dealer should pay tax on its purchase of any supplies used for the setup and delivery of the manufactured home. The customer should retain his paid receipt to verify tax paid when making application for license/title/registration of the manufactured home.

(B) A dealer took a manufactured home in trade from a customer. The original owner paid Missouri tax. The dealer sells the used manufactured home. No tax is due on the used manufactured home because tax was paid on the original purchase of the home.

(C) A dealer sold a new manufactured home. As an incentive, the dealer included a computer, stove and refrigerator that was not attached as part of the home from the manufacturer. These additional items should be separately stated from the manufactured home sale price and taxed at one hundred percent (100%). The dealer may issue a resale exemption certificate when purchasing these items.

(D) A dealer hires a contractor to add patios and garages to the site for customers who purchase new manufactured homes. These charges can be separately stated from the manufactured home sale price without being taxed. The contractor should pay tax on any supplies used to build the patios and garages because the contractor is the final user and consumer of these supplies.

*AUTHORITY: section 144.270, RSMo 1994. Original rule filed June 13, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105-0629. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE**  
**Division 10—Director of Revenue**  
**Chapter 103—Sales/Use Tax—Imposition of Tax**

**PROPOSED RULE**

**12 CSR 10-103.600 Sales of Tangible Personal Property and Services**

*PURPOSE: Section 144.020.1, RSMo provides that sales of tangible personal property and certain enumerated services are subject to tax. Section 144.010.1(3), RSMo defines which charges are subject to tax when included in the sale price of tangible personal property. This rule explains which charges are subject to tax when a transaction involves the sale of a service or both tangible personal property and a nontaxable service.*

(1) In general, the sale of tangible personal property is subject to tax unless a specific statute exempts it. The sale of a service is not subject to tax unless a specific statute authorizes the taxation of the service. When a sale involves both tangible personal property and a nontaxable service, the sale of the tangible personal property will be subject to tax, and the service will not be subject to tax, if the sale of each is separate. When the sale of tangible personal property and a nontaxable service are not separable, the entire sale price is taxable if the true object of the transaction is the transfer of tangible personal property. None of the sale price is taxable if the true object of the transaction is the sale of the nontaxable service.

(2) Definition of Terms.

(A) Personal service—service involving either intellectual or manual personal labor of the server rather than a salable product of the server's skill.

(B) Sale price—the consideration paid to the seller for tangible personal property, including any service charges other than charges incident to the extension of credit.

(C) True object—the real object the buyer seeks in making the purchase. The essentials of the transaction determine the true object. The true object of the transaction is the tangible personal property if:

1. The purchaser desires and uses the tangible personal property;
2. The tangible medium is not merely a disposable conduit for the service or intangible personal property;
3. The tangible personal property is a finished product; or
4. The tangible personal property is not separable from the service or intangible personal property.

(D) The true object of the transaction is the service or intangible personal property if the tangible personal property is merely the medium of transmission for an intangible product and can be discarded after the purchaser has obtained access to the intangible component.

(3) Basic Application.

(A) Shipping, Handling, Minimums, Gratuities and Similar Charges.

1. If the purchaser is required to pay for the service as part of the sale price of tangible personal property, the entire sale price is subject to tax.

2. If the purchaser is not required to pay the service charge as part of the sale price of tangible personal property, the amount paid for the service is not subject to tax if the charge for such service is separately stated. If the charge for the service is not separately stated, the entire sale price is subject to tax.

(B) Repair and Personal Services.

1. If the amount paid for the repair or personal service is separately stated from the tangible personal property used to perform the repair or personal service, the amount paid for the repair or personal service is not subject to tax.

2. If the amount paid for the repair or personal service is not separately stated, the entire sale price is taxable. However, if the retail price of the tangible personal property constitutes less than ten percent (10%) of the total sale price, the department will consider none of the sale price as taxable. The seller must pay tax on the purchase of the tangible personal property.

(C) All Other Transactions.

1. If the purchaser obtains a service as part of a transaction in which the true object is the purchase of tangible personal property, the entire sale price is taxable even if the charge for the service is separately stated.

2. If the purchaser obtains tangible personal property as part of a transaction in which the true object of the transaction is the purchase of a service, none of the sale price is taxable unless the charge for the tangible personal property is separately stated. If the charge for the tangible personal property is separately stated only the charge for the tangible personal property is taxable.

(D) A person selling tangible personal property to a retailer of a nontaxable service must collect and remit tax on such sales.

(E) When a service provider also sells tangible personal property in transactions separate from the provision of services, the sales of tangible personal property are subject to tax.

(4) Examples.

(A) A steel fabricator enters into an agreement to fabricate steel beams for a building. The fabricator makes a retail sale of the steel beams. Even though the fabrication labor is separately stated on the sales invoice, the total sale price including charges for the fabrication labor is subject to tax.

(B) A person purchases a compact disc (CD) through a mail order club. The seller charges a set amount for shipping and handling the CD. Because the buyer is required to pay the shipping and handling charge, the entire amount charged, including the shipping and handling, is subject to tax.

(C) A family purchases furniture from an out-of-state seller. The seller gives the buyer a choice of shipping the furniture or the buyer may arrange for the furniture to be delivered to their home. Because the shipping is optional, it is not subject to tax.

(D) A person purchases ten (10) yards of concrete from a concrete company. The concrete company separately states the optional delivery charge but has a mandatory minimum service charge of twenty-five dollars (\$25) on all orders less than twelve (12) yards. Tax is due on the concrete price and the mandatory service charge, but not on the delivery charge.

(E) A car dealer sells an automobile to a buyer, which includes as part of the purchase price an initial warranty for services including parts. Tax is due on the entire sale price. The dealer does not owe tax on parts supplied pursuant to the initial warranty when the manufacturer provides the parts to the dealer free of charge. The car dealer also sells the buyer an optional extended warranty beyond the initial warranty for services only. The sale price for the optional warranty is separately stated. The extended warranty is not subject to tax. If the dealer bills the buyer additional charges for repair parts as needed, the dealer must charge the buyer tax on the repair parts. If the extended warranty includes parts, the dealer is liable for tax on the purchase of the parts used to fulfill the extended warranty contract.

(F) Taxpayer sells a typewriter for three hundred dollars (\$300) and an optional one (1) year maintenance contract for an additional twenty-five dollars (\$25). The maintenance contract is segregated on the billing from the cost of the typewriter. Tax is due on the three hundred dollars (\$300) but is not due on the twenty-five dollars (\$25) maintenance contract. If the maintenance contract states that the seller provides repair parts, the seller must pay tax on its purchases of repair parts to fulfill the agreement. If the maintenance contract states that the seller bills the customer an additional charge for repair parts, then the seller must collect and remit tax on the amount charged for the parts.

(G) An architect prepares original architectural plans for an addition to a home. Because the true object of this transaction is the architectural service, the original plans and copies prepared by the architect are not subject to tax, unless the architect separately states the charge for the copies. If the architect uses the services of another party to create the copies, the third party should charge

the architect tax. Copies of the plans purchased by the homeowner from a third party are subject to tax.

(H) A tool and die manufacturer designs and builds a custom machine tool for a customer. The tool will be installed on the customer's existing equipment. The manufacturer purchases from an independent mechanical engineer shop drawings showing how to build the tool and showing precisely how and where the tool should be installed on the customer's equipment. The manufacturer's agreement with its customer requires that the drawings be provided to the customer along with the tool. The entire purchase price paid by the manufacturer's customer, including the cost of the shop drawings (even if separately stated) is subject to tax. The transfer of the drawings is a part of the sale of the tool.

(I) A monument seller separately states its charges for headstones and inscription of headstones. The entire sale price, including inscription, is taxable.

(J) A person takes her car to a mechanic for new brakes. The mechanic installs new brakes and charges sixty dollars (\$60) for the parts and fifty dollars (\$50) for labor, which is separately stated on the invoice. Tax is due on the sixty dollars (\$60) charge for the brakes. If the mechanic does not separately state the labor, tax should be charged on the total invoice of one hundred ten dollars (\$110), because the cost of new brakes exceeds ten percent (10%) of the sale price of the repair.

(K) A warehouse stores and ships materials in cardboard boxes. The charge for the boxes is included in the charge for the warehousing service and not separately stated. The charge for the boxes is not subject to tax, and the warehouse must pay tax on its purchases of the boxes. If the charge for the boxes is separately stated, it is subject to tax.

(L) A binding company binds materials provided to it by customers and also binds books that it sells to the public. Materials and supplies used by the binding company in binding materials for customers are not subject to tax unless the charges for the materials and supplies are separately stated. The binding company must pay tax on its purchase of such materials and supplies. The binding company may purchase exempt from tax materials and supplies it incorporates in books made for sale to the public.

(M) A laundry or dry cleaner provides a nontaxable service and does not collect or remit tax. The laundry or dry cleaner should pay tax on tangible personal property used in performing the service including items such as hangers and plastic bags. If a laundry also sells laundry detergents, sales of the detergents are subject to tax.

(N) A man takes his suit to the dry cleaner with a request to clean and press the suit, replace a missing button and sew a split seam. Because the price of the button and thread is less than ten percent (10%) of the total cost the dry cleaner does not collect tax. The dry cleaner should purchase these materials subject to tax.

(O) A barbershop that also sells hair care products must collect and remit tax on all sales of such products.

*AUTHORITY: section 144.270, RSMo 1994. Original rule filed June 8, 2000.*

*PUBLIC COST: The proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 104—Sales/Use Tax—Registration**

**PROPOSED RULE**

**12 CSR 10-104.020 Sales and Use Tax Bonds**

*PURPOSE: Section 144.087, RSMo requires all applicants for a retail sales tax license and all licensees in default in filing a return and paying taxes when due to file a bond in an amount to be determined by the Director of Revenue. Section 144.625, RSMo authorizes the department to require a bond from out-of-state vendors responsible for remitting vendor's use tax. This rule explains how to calculate and submit a bond, the different types of bonds that may be filed with the department, and how to obtain a bond refund.*

(1) In general, all new taxpayers applying for a retail sales tax license or vendors use tax license, and taxpayers seeking reinstatement of a revoked license must file a bond in an amount determined by the director. The bond may be a cash bond, surety bond, certificate of deposit or an irrevocable letter of credit. The department will refund the bond to the taxpayer after two (2) years of satisfactory tax compliance or when the taxpayer closes its sales/use tax account, provided the account has no outstanding delinquencies.

(2) Basic Application of Tax.

(A) Taxpayers applying for a retail sales tax license or vendor's use tax license, or a taxpayer in default in filing a return and paying taxes, must submit a bond calculated at three (3) times the average monthly tax liability of the taxpayer. The department will not issue a license until the taxpayer submits sufficient bond. The bond amount of a new applicant is based on three (3) times the previous owner's average monthly tax liability for the prior twelve (12) months. The department estimates the bond based on the nature of the applicant's business. If the business is substantially the same as that of a previous owner, the previous business experience may be used. If the department determines a bond is insufficient to cover the taxpayer's liability, the department can require the taxpayer to adjust the bond amount.

(B) If the calculated bond amount of a new business is less than five hundred dollars (\$500), the taxpayer can submit a minimum bond of twenty-five dollars (\$25). If the bond is calculated at five hundred dollars (\$500) or more, the calculated amount must be submitted, rounded to the nearest ten dollars (\$10). A taxpayer reinstating a revoked license must submit the calculated amount even if that amount is less than five hundred dollars (\$500).

(C) Cash bonds must be in the form of a cashier's check, money order, certified check or charged to a credit card accepted by the department. A completed and signed cash bond form must accompany a cash bond.

(D) A surety bond issued by an insurance company licensed for bonding in Missouri may be submitted as bond on behalf of the taxpayer. The surety bond must bear the seal of the insurance company, contain the current effective date, be accompanied by a power of attorney letter if it is signed by the attorney in fact, and must be signed by the applicant. The department maintains a list of insurance companies approved by the Department of Insurance to underwrite surety bonds in Missouri. Surety companies who fail to comply with the rules of the Department of Insurance or who unreasonably fail to pay a taxpayer's delinquency within thirty (30) days of notification that the taxpayer has become delinquent, are subject to removal from the department's list of authorized surety companies. Additionally, the department will not accept future bonds from this company until the Department of Insurance reinstates the surety company. A taxpayer bonded by a

surety company that is removed from the department's authorized list has thirty (30) days to file a new bond with the Department of Revenue. Failure to meet this requirement will result in the license being declared null and void.

(E) A certificate of deposit (CD) issued by a state or federally chartered financial institution may be submitted as a bond. A CD must be a new CD in the names of the Missouri Department of Revenue and the taxpayer. The names on the CD must be joined by the word "AND." The CD must be endorsed by the taxpayer and include an Assignment of Certificate of Deposit Form when submitted to the department. Book entry CDs must be accompanied by a signed withdrawal slip or a letter from the issuing bank indicating the means of withdrawal. The interest derived from the CD is compounded at maturity. If a delinquency occurs, the department may redeem the CD. Any proceeds from the CD exceeding the delinquency, including interest proceeds, will be converted to a cash bond. The department will not reinvest the proceeds from the CD after it has been converted to a cash bond. The taxpayer is liable for all taxes on the interest derived from the CD or penalties resulting from cashing the CD prior to maturity even if the department seizes the CD (and accumulated interest) for payment of a delinquency incurred by the taxpayer.

(F) An irrevocable letter of credit issued by a commercial bank chartered under the laws of Missouri or chartered pursuant to the National Banking Act may be submitted as a bond. The letter of credit is irrevocable and the beneficiary is the department. Payment will be made immediately upon presentation of a demand for payment signed by the Director of Revenue or his/her designated representative. All letters of credit must conform to a required format provided by the department and be accompanied by an authorization for release of confidential information to the issuing bank. The issuer can cancel a letter of credit sixty (60) days after written notice is delivered to the department. If the department is notified of a cancellation, the taxpayer must substitute another bond within sixty (60) days. If the required bond is not received within the sixty (60) days, the taxpayer's license is null and void. If a taxpayer closes its business, the department will retain the letter of credit until satisfied that no claim exists against the letter.

(G) The department may refund or release a bond to the taxpayer after two (2) years of satisfactory tax compliance. A taxpayer's tax record is considered satisfactory if there is no tax due and the taxpayer has fully filed and paid all returns due in a timely manner. The bond will also be released or refunded when the taxpayer closes its sales/use tax account, files a final return, and owes no tax, penalties, or interest. If a taxpayer replaces its current bond by any other acceptable type of bond, the bond being replaced will also be returned.

(3) Examples.

(A) A taxpayer purchases a restaurant. The restaurant is currently open for business and the taxpayer will take over and continue the operation without interruption. In reviewing the previous owner's sales, the taxpayer's bond is calculated using the following tax liability of the previous owner:

January	\$150.25
February	\$160.75
March	\$176.50
April	\$185.75
May	\$203.25
June	\$226.50
July	\$221.25
August	\$210.25
September	\$206.00
October	\$185.75
November	\$160.50
December	<u>\$211.25</u>
Total	\$2,298.00

The taxpayer divides \$2,298 by 12 to arrive at the average monthly tax liability of \$191.50. To compute the bond, he multiplies this figure by three, for a total of \$574.50 ( $\$191.50 \times 3 = \$574.50$ ). This amount is rounded to the nearest \$10, or \$570. The taxpayer submits a \$570 bond.

(B) A taxpayer is opening an ice cream shop. She has never been in business before and is not purchasing an existing business. She estimates her monthly tax liability to be \$100. The taxpayer submits the minimum \$25 bond since \$300 is less than the \$500 threshold.

(C) A taxpayer has purchased a craft store that was operated by another individual in the past. The previous craft store was closed for four months. Based on the previous craft store's sales, the amount of bond required is \$750. The taxpayer must submit a \$750 bond.

(D) A taxpayer has been operating a hot dog stand for the past 18 months. The sales tax license is revoked for failure to report and remit sales tax. The department already seized the bond originally submitted when registering as a new taxpayer. The department determines the average monthly liability over the past 12 months was \$150. In order to have the license reinstated, the taxpayer must submit a new bond in the amount of \$450 ( $3 \times \$150$ ). The taxpayer cannot submit the minimum \$25 bond even though the calculated bond is less than \$500.

*AUTHORITY: sections 144.270 and 144.705, RSMo 1994. Original rule filed June 8, 2000.*

*PUBLIC COST: The proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to the proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 108—Sales/Use Tax—Taxable Services**

**PROPOSED RULE**

**12 CSR 10-108.600 Transportation Fares**

*PURPOSE: Section 144.020.1(7), RSMo imposes a tax on certain intrastate transportation fares. This rule explains the application of this section to transportation fares.*

(1) In general, sales of tickets by every person operating a railroad, boat, and such buses and trucks as are licensed by the Division of Motor Carrier and Railroad Safety of the Department of Economic Development, engaged in the intrastate transportation of persons for hire are subject to tax.

(2) Definition of Terms.

(A) Intrastate transportation—The transportation of a person from one location in Missouri to another location in Missouri.

(B) Division—Division of Motor Carrier and Railroad Safety of the Department of Economic Development.

(3) Basic Application of Tax.

(A) Gross receipts from the sale of tickets for intrastate transportation of persons for hire by persons operating buses and trucks



licensed by the division are subject to tax. The gross receipts from the sale of tickets for intrastate transportation of persons for hire by persons operating a railroad, sleeping car, dining car, express car or boat are also subject to tax. Federal law prohibits taxation of receipts from the intrastate transportation of persons for hire in air commerce.

(B) Transportation charges by taxicabs, limousine services and buses that are not required to be licensed by the division are not subject to tax.

(C) Transportation charges provided on a contract basis, when no ticket is issued, are not subject to tax.

(D) Passengers engaged in an interstate trip must pay tax on the intrastate portion of a ticket, if separately stated.

(4) Examples.

(A) A person purchases a bus ticket for travel from St. Louis, MO to Kansas City, MO. The gross receipts from the ticket sale are subject to tax.

(B) A person is traveling from Indianapolis, IN to Denver, CO. The ticket separately states the charges between St. Louis, MO to Kansas City, MO. The separate charges for this journey are subject to tax.

(C) A company charters a bus to take its employees to Sedalia, MO. No tax is due because there is no sale of tickets.

*AUTHORITY: section 144.270, RSMo 1994. Original rule filed June 13, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice on the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 110—Sales/Use Tax—Exemptions**

**PROPOSED RULE**

**12 CSR 10-110.220 Hotels and Motels**

*PURPOSE: This rule explains the taxability of rooms, meals and drinks provided by hotels, motels, and similar establishments in which these items are regularly provided to the public. It also covers purchases made by these establishments. The applicable sections are 144.010, 144.011, 144.020, 144.021, 144.030 and 144.080, RSMo.*

(1) In general, sales or charges for rooms, meals or drinks at a place that regularly serves the public are taxable.

(2) Definitions. Permanent resident—An individual who contracts in advance for a room for a period of thirty consecutive days or more and who actually remains a guest for thirty consecutive days or more. Businesses do not qualify as permanent residents.

(3) Basic Application of the Tax.

(A) Charges for rooms, meals, and drinks furnished by hotels, restaurants, and other establishments, in which rooms, meals, or drinks are regularly served to the public, are taxable. Rooms for

lodging as well as meeting, banquet and conference rooms are taxable.

(B) A permanent resident is not subject to tax on their lease or rental payments. A permanent reservation for any room is not synonymous with permanent resident.

(C) An educational institution, which furnishes room and board to students in pursuit of their educational objectives, is not subject to tax on the gross receipts.

(D) Persons engaged in providing rooms are subject to tax on the gross receipts from the sale of tangible personal property and taxable services:

1. Receipts for food or drink are taxable regardless of whether the charge is made per meal, daily, weekly, or monthly;

2. In room pay-per-view programs or movies are not subject to tax; and

3. All persons engaged in providing rooms must collect tax on all charges for telecommunication services, including intrastate and interstate calls.

(E) Rooms, meals and drinks are exempt from tax if sold to an exempt organization or a representative of that organization if the seller has documentation of the exemption. If the representative claims the exemption, even if the representative pays with his own funds and is reimbursed, and the hotel has a copy of a valid exemption letter issued by the Missouri Department of Revenue to the organization, the sale is exempt. An agent of the United States government paying with a U.S. government credit card is also exempt.

(F) Persons providing complimentary meals and drinks or non-reusable tangible personal property as part of the room accommodation should not pay tax on the purchases. Non-reusable items include soap, shampoo, tissue, and food or confectionery items offered to the guests without charge.

(G) The purchaser must pay tax on the purchase of reusable items including furniture, curtains, linens, towels, pillows, mirrors, radios and televisions for room accommodation.

(4) Examples.

(A) A hotel rents a room to a guest for a night. The soap and shampoo are included in the price of the room and may be purchased tax exempt by the hotel under a resale exemption. The complimentary breakfast provided to the guest is also included in the price of the room, and the hotel may purchase the food under a resale exemption. The towels, bed linens and furniture are subject to tax at the time of purchase.

(B) A hotel provides a complimentary room for a couple's wedding night. The hotel includes a free bottle of champagne and a free breakfast. The hotel must pay tax on the cost of the champagne and the breakfast because the hotel did not charge for the room.

(C) An airline reserves rooms at a hotel under a long-term room contract. In exchange for room availability, the airline agrees to pay for all rooms on a guaranteed basis, whether or not it uses the rooms. The entire charge for the rooms is taxable, regardless of whether the rooms are actually used.

*AUTHORITY: section 144.270, RSMo 1994. Original rule filed June 13, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105-0629. To be considered, comments must be received within thirty days after the publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE**  
**Division 10—Director of Revenue**  
**Chapter 112—Sales/Use Tax—Contractors**

**PROPOSED RULE**

**12 CSR 10-112.010 Contractors**

*PURPOSE: This rule interprets sections 144.010, 144.020, 144.030 and 144.062, RSMo as they relate to taxation of sales and purchases by contractors.*

(1) In general, a contractor is the final user and consumer of the materials and supplies used and consumed in fulfilling a construction contract and which become part of a completed real property improvement. Consequently, persons selling materials and supplies to a contractor are subject to tax on the gross receipts from all such sales because the purchase is not for resale as tangible personal property.

(2) Definition of Terms.

(A) Contractor—Any person entering into an agreement to improve, repair, replace, erect or alter real property.

(B) Dual operator—A taxpayer who purchases materials and supplies for both consumption, as a contractor, and resale, as a retailer.

(C) Real property—Land and items permanently affixed to land, such as buildings.

(3) Basic Application of Tax.

(A) Title Transfer—If title passes from the contractor to the purchaser before attachment of the tangible personal property to real property, the contractor does not pay tax on its purchase, but must collect tax on the sale price of the item. If title passes after the attachment, the contractor is subject to tax on its purchase of the tangible personal property and does not collect tax on its transfer of ownership or title of the item. In general, title passes after installation is complete, unless the contractor and purchaser expressly agree otherwise.

(B) Dual Operator—When a dual operator purchases materials that are specifically identified for use in a contracting job, it should pay tax on the purchase of the materials. Dual operators should present a resale exemption certificate when purchasing materials for inventory that may be used either for resale or contract jobs. When materials are removed from inventory for use in a contracting job, the dual operator should pay sales tax if purchased in-state or use tax if purchased out-of-state based on the original purchase price of the material.

(C) Flow Through Exemptions—Certain exemptions that are based on the ultimate owner's use of an item (such as the exemption for manufacturing machinery) may flow through to the contractor selling and installing the item. To claim an exemption under these circumstances, the contractor must obtain a signed exemption certificate from the ultimate owner and provide a copy to its supplier.

(D) Flow Through Project Exemptions—A contractor, including subcontractors working for the contractor, constructing, repairing or remodeling facilities for a specific exempt entity, may purchase tax exempt tangible personal property and materials incorporated into or consumed in the project if the exempt entity furnishes to the contractor a project exemption certificate. Tangible personal property and materials that can only be used for one construction, repair or remodeling job which are actually used up in performing the contract are consumed. Examples include sandpaper, fuel to run equipment and drill bits that are actually used up in the performance of the exempt contract. Items that are not consumed are hand tools, drinking water coolers, hardhats and bulldozers. For

purposes of this flow through exemption an exempt entity is limited to:

1. Political subdivisions exempt under Article III section 39 (10) of the *Missouri Constitution*;
2. Federal government and its instrumentalities;
3. Religious organizations;
4. Charitable organizations;
5. Elementary and secondary schools, public and private; or
6. Higher education institutions, public and private.

(E) No specific form is required for the "Project Exemption Certificate," per section 144.062, RSMo, but the following information must be included:

1. Name and address of exempt entity;
2. Missouri tax identification number of the exempt entity;
3. Signature of an authorized representative;
4. Location of the project;
5. Description of the project;
6. Unique identification number for the project;
7. Beginning and estimated ending date of the project; and
8. Expiration date of the project exemption certificate.

(F) Out-of-State Construction Job—Contractors purchasing tangible personal property in Missouri for use out-of-state are subject to tax on the purchase. However, contractors may purchase tangible personal property exempt from Missouri tax for use out-of-state on a construction contract with an entity authorized to issue an exemption certificate under that state's law per section 144.030.2(36), RSMo.

(4) Examples.

(A) A company that fabricates windows, doors and siding markets its product in a showroom making direct sales to consumers, and also uses its product as the contractor on construction projects nationwide. The company is a dual operator. It should issue vendors an exemption certificate for all material purchases that are fabricated into their products. All direct sales through the product showroom are subject to tax on the total price of the products sold. If the company purchases materials specifically intended for the manufacture of products to be used on a particular construction project, it should pay tax on its material purchases. However, when the company removes products from inventory and uses them on construction projects, it should accrue tax on the original cost of the materials used to manufacture the product. If the company cannot determine where it purchased the original materials, it may accrue tax at the rate where the company is located.

(B) A Missouri-based company has expanded its operations. It now fabricates for sale the manufacturing machinery to produce its products. It has also developed an earthquake proof structure that it is contracting with municipalities nationwide to erect. The company should charge tax on the sale of the production machinery. It may sell the machinery tax exempt if the purchaser issues a valid exemption certificate. The purchaser need not be the entity using the machinery. The company may accept a "flow through" exemption from a contractor.

(C) A company should accrue tax on the original purchase cost of items taken out of inventory to be consumed in the fulfillment of its construction contracts. The company does not have to self-accrue tax on materials consumed in construction contracts if the exempt entity issues a project exemption certificate (as authorized by section 144.062, RSMo). If the contract is for an out-of-state project and the out-of-state entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws, the company may accept an exemption certificate and not self-accrue tax.

*AUTHORITY: section 144.270, RSMo 1994. Original rule filed June 13, 2000.*

*PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 12—DEPARTMENT OF REVENUE  
Division 10—Director of Revenue  
Chapter 113—Sales/Use Tax—Use Tax**

**PROPOSED RULE**

**12 CSR 10-113.300 Temporary Storage**

*PURPOSE: section 144.610, RSMo imposes use tax on the sale of tangible personal property that is purchased for use, storage or consumption in this state. Section 144.620, RSMo creates a presumption that tangible personal property sold for delivery in or transportation to Missouri is for use, storage or consumption in Missouri unless otherwise excluded. Sections 144.605(10) and (13), RSMo define the incidence of “storage” and “use.” These sections provide an exclusion from use tax for property that is purchased for temporary storage in Missouri with the intent to subsequently use the property outside Missouri. This rule interprets this exclusion.*

(1) In general, the temporary storage of property in this state with the intent to subsequently use the property outside the state is not subject to use tax.

(2) Definition of Terms.

(A) Storage—Any keeping or retention in this state of tangible personal property purchased from an out-of-state vendor, except property for sale or property that is temporarily kept or retained in this state for subsequent use outside the state. To be “for subsequent use outside the state” the purchaser must intend at the time the property is delivered to a Missouri location to subsequently use the property outside the state.

(B) Temporary—Generally, property kept or retained for less than a year may be considered temporary.

(C) Use—The exercise of any right or power over tangible personal property incident to the ownership or control of that property, except temporary storage of property in this state for subsequent use outside the state, or for sale of the property in the regular course of business.

(3) Basic Application of Exclusion.

(A) The purchase of tangible personal property from an out-of-state vendor that is temporarily kept or retained in this state for subsequent use outside the state is not subject to use tax. Any use of the property involving the exercise of any right, dominion, control or power over the tangible personal property, other than temporarily keeping or retaining the property in this state for subsequent use outside the state, constitutes a taxable use.

(B) Keeping or retaining tangible personal property in this state for longer than a temporary period subjects the purchase of the property to use tax, even if the property will be used subsequently outside the state.

(C) The purchaser need not designate at the time of purchase which specific property is for subsequent use outside the state, provided the purchaser can otherwise establish that some of the

property is intended for subsequent use out-of-state. Intent can be shown by demonstrating the normal practices of the business or specific circumstances of the transaction. The commingling of property on which tax has already been paid with property on which tax has not already been paid, does not disqualify the property from the exclusion, but makes it difficult for the taxpayer to document which property was intended for use outside the state.

(D) The exclusion will not apply if any further processing, fabrication or other modifications are performed on or to the property while in this state.

(4) Examples.

(A) A Missouri contractor purchases from an out-of-state vendor materials and supplies for an out-of-state job. The items purchased are specifically ordered for the out-of-state job, are earmarked as such on the purchase orders and are delivered to the contractor temporarily in Missouri. No further processing, fabricating or other modifications are performed on the items. The materials and supplies purchased are not stock items that may be used in other ongoing jobs either within or without the state. The purchase of the materials and supplies would not be subject to use tax in Missouri.

(B) Same facts as in Example A, however the Missouri contractor performs fabrication labor on the materials in preparation for the out-of-state job at its location in Missouri. The purchase of the materials would then be subject to Missouri use tax.

(C) A Missouri law firm that has an office in Kansas orders ten computers from an out-of-state vendor for use in its Kansas office. The purchase orders are specifically earmarked accordingly. The computers will only be in Missouri for a few days in order to load the firm’s network software. The purchase of the computers would be subject to Missouri use tax because loading the firm’s software constitutes a taxable use.

(D) A taxpayer purchases equipment from an out-of-state vendor for storage in Missouri that it intends at the time of purchase to transfer the equipment to an out-of-state facility in eighteen months. The purchase is subject to use tax.

(E) Taxpayer is a wholesaler of goods. It purchased samples from an out-of-state vendor, which were delivered directly to its Missouri warehouse. The taxpayer at the time of purchase intended that twenty percent (20%) of the samples would go to its Missouri sales force and the other eighty percent (80%) would go to its out-of-state salespersons. All the samples were commingled and were only in Missouri for three (3) months. Because the wholesaler intended to send eighty percent (80%) of the samples out-of-state, the purchase of the eighty percent (80%) is exempt from use tax. However, the wholesaler should pay state and local use tax on any portion of the eighty percent (80%) all items used in Missouri at the time the samples are removed from the warehouse. Local use tax applies based on the location of the warehouse.

(F) A Missouri wholesaler purchases brochures from non-Missouri suppliers. The brochures are shipped to the wholesaler’s warehouse in Missouri for later shipment to facilities both in-state and out-of-state. The wholesaler does not know at the time of purchase exactly when and where the brochures will be shipped. On average the brochures are stored for six (6) months. As brochures are needed for in-state and out-of-state customers, they are removed from storage and shipped to customers free of charge. Because the wholesaler intended to send some of the brochures out-of-state, the purchase is exempt from use tax. However, the wholesaler should pay state and local use tax on all items used in Missouri at the time the brochures are removed from the warehouse. Local use tax applies based on the location of the warehouse.

(G) Same facts as in Example F except all of the brochures are intended for use in Missouri. The wholesaler should pay tax on the entire purchase price at the time of purchase. Because the intent

was for the brochures to be used in Missouri, any occasional out-of-state use does not qualify for the temporary storage exemption.

(H) Same facts as in Example F except some brochures are purchased from an in-state vendor and sales tax is paid at the time of purchase. The wholesaler commingles the taxed brochures purchased in state with the untaxed brochures purchased from out-of-state. Unless the wholesaler maintains specific documentation of which brochures will be used in-state and out-of-state the use tax is due on the commingling of the brochures.

*AUTHORITY:* section 144.705, RSMo 1994. Original rule filed June 8, 2000.

*PUBLIC COST:* This proposed rule will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed rule will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to the proposed rule with the Department of Revenue, Office of Legislation and Regulations, P.O. Box 629, Jefferson City, MO 65105. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 30—Child Support Enforcement  
Chapter 3—County Reimbursement**

**PROPOSED AMENDMENT**

**13 CSR 30-3.010 Reimbursable Expenditures.** The division is amending subsection (5)(D).

*PURPOSE:* The purpose of this amendment is to raise the initial value of equipment cost from one hundred dollars (\$100) to five hundred dollars (\$500).

(5) Additional Criteria or Prerequisites for Claiming Certain Reimbursable Expenses.

(D) Equipment Purchases. *[Equipment, for the purpose of this rule, is nonexpendable personal property with an initial cost of one hundred dollars (\$100) or more as defined in 15 CSR 40-2.031.] Equipment, for the purpose of this rule, is nonexpendable personal property with an initial cost of five hundred dollars (\$500).* Reimbursement for equipment shall be available only through straight-line depreciation. The depreciation claimed will be based on the Internal Revenue Service's Table of Class Lives and Recovery Periods set forth in Publication 534, *Internal Revenue Service Tax Preparation Guide* including all revisions. To claim depreciation in the purchase of equipment with an initial cost of five hundred dollars (\$500) or more, the county must request and receive (in writing) the director's prior approval for federal financial participation in the cost of equipment. The director will not grant retroactive approval. The county will claim depreciation annually after the first full year of use.

*AUTHORITY:* section 454.400, RSMo [1986] Supp. 1999. Original rule filed Oct. 18, 1988, effective Jan. 13, 1989. Amended: Filed Nov. 2, 1989, effective Feb. 11, 1990. Amended: Filed May 17, 2000.

*PUBLIC COST:* This proposed amendment will cost state agencies or political subdivisions less than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment is not estimated to cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Division of Child Support Enforcement, Lynn F. Fallen, 3418 Knipp Drive, Suite F, Jefferson City, MO 65109. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 30—Child Support Enforcement  
Chapter 5—Determining Child Support Obligation**

**PROPOSED RESCISSION**

**13 CSR 30-5.010 Child Support Obligation Guidelines.** This rule specified guidelines for the division's use in determining child support.

*PURPOSE:* This rule is being proposed for rescission because it no longer accurately reflects current procedures to be followed by the Division of Child Support Enforcement to determine the current amount of support due when establishing or modifying child support obligations.

*AUTHORITY:* section 454.400, RSMo 1994. Original rule filed Feb. 2, 1988, effective April 11, 1988. Emergency amendment filed Dec. 13, 1989, effective Dec. 23, 1989, expired April 11, 1990. Emergency amendment filed Jan. 17, 1990, effective Jan. 27, 1990, expired Feb. 25, 1990. Amended: Filed Dec. 13, 1989, effective April 26, 1990. Emergency rescission and emergency rule filed March 14, 1994, effective April 1, 1994, expired July 29, 1994. Emergency rescission and emergency rule filed July 27, 1994, effective Aug. 6, 1994, expired Dec. 3, 1994. Rescinded and readopted: Filed March 14, 1994, effective Oct. 30, 1994. Amended: Filed June 15, 1995, effective Dec. 30, 1995. Rescinded: Filed June 22, 2000.

*PUBLIC COST:* This proposed rescission will cost state agencies or political subdivisions less than \$500 in the aggregate.

*PRIVATE COST:* This proposed rescission is not estimated to cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed rescission with the Division of Child Support Enforcement, Lynn F. Fallen, 3418 Knipp Drive, Suite F, Jefferson City, MO 65109. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 13—DEPARTMENT OF SOCIAL SERVICES  
Division 30—Child Support Enforcement  
Chapter 5—Determining Child Support Obligations**

**PROPOSED RULE**

**13 CSR 30-5.010 Child Support Obligation Guidelines**

*PURPOSE:* This rule sets forth the guidelines to be followed by the Division of Child Support Enforcement to determine the current amount of support due when establishing or modifying child support obligations.

(1) General Provisions.

(A) Definitions—as used in this rule:

1. Director means the director of the Division of Child Support Enforcement or his/her designee.

2. Division means the Division of Child Support Enforcement.

3. Form 14 means Missouri Supreme Court Civil Procedure Rule Form 14 and accompanying Schedule of Basic Child Support Obligations.

(B) The division shall follow, as its Child Support Obligation Guidelines, Missouri Supreme Court Civil Procedure Rule 88.01 and Missouri Supreme Court Rule Civil Procedure Form 14 and the accompanying Schedule of Basic Child Support Obligations.

(2) Specific Provisions and Deviation Criteria.

(A) Determining and Imputing Income.

1. The Division will generally include overtime, secondary employment, and bonus income when determining gross income.

2. Past earnings information may be used to impute income. Information on previous earnings may be obtained from the following sources, including, but not limited to, Division of Employment Security computer screens, Internal Revenue Service, past employers, tax returns, and wage stubs.

3. When income information is not available, and information regarding the parent's normal occupation or educational level is known, or special skills which qualify him/her to maintain specific jobs, income may be imputed based on probable earnings levels for his/her usual occupation, qualifications, and prevailing job opportunities and wages in the parent's community. This information may be obtained from sources including, but not limited to, the Department of Labor and Industrial Relations, local unions, or employers in the area.

4. Income may be imputed to a parent who is unemployed or under employed based on the determination of the parent's potential to earn income. A parent whose actual income cannot be determined or who has no income will be imputed income as follows:

A. A parent who is not currently employed but has a work history, and is now disabled and unable to work, or has a child at home whose condition or circumstance requires a parent's presence in the home, will be imputed zero income.

B. A parent who has no work history and has a child in the home under the age of six years will be imputed zero income.

C. A parent who has no work history and has a child at home between the ages of six and twelve years, will be imputed part time (20 hours per week) at federal minimum wage.

D. A parent with no work history, and no children under age 13, full-time (40 hours per week) at federal minimum wage will be imputed.

(B) A support order for a non-parent caretaker relative, or a foster care case, will be completed using separate Form 14s for each parent's case, listing on one Form 14 the mother as the parent paying support and on the second Form 14, the father as the parent paying support.

(C) A presumed child support amount equal to zero or less than zero will be entered as an obligation of zero.

(D) The parents must provide information (court orders, pay records, previous Form 14s, check stubs, etc.) regarding other child support obligations, spousal obligations, insurance, and child care, for credit on the Form 14.

(E) Neither parent will be considered the moving party if the division or a non-parent caretaker relative initiates the modification. Both parents will be given credit for any other court or administrative order of child or spousal support which he/she is paying or for other natural or adopted children not subject to this proceeding.

(F) To include extraordinary medical or child-rearing costs, it must be ordered by the court or an agreement in writing of the amount of any extraordinary medical or child rearing costs to be included on the Form 14 must be signed by both parents and provided to the division.

(G) Adjustment for periods of overnight visitation will be given up to the amount of visitation that has been court-ordered. If the non-custodial parent visits the child less than the amount granted in the court order, he/she will only receive credit for the overnight visits actually exercised. The parents must provide evidence concerning the amount of time actually exercised in court-ordered visitations.

1. Number of overnight periods—Less than 36/Adjustment 0%

2. Number of overnight periods—36–72/Adjustment 6%

3. Number of overnight periods—73–91/Adjustment 9%

4. Number of overnight periods—91–145/Adjustment 10%

(H) Deviation. If it is determined the presumed child support amount is unjust and inappropriate, the division may deviate based on the criteria in the directions for completion for the Form 14 or for one of the following reasons:

1. A parent is under a Chapter 13 Bankruptcy plan.

2. The Division of Family Services determines that in a foster care case the child support amount is not in the best interest of the child. The Division of Family Services staff must provide the reason in writing.

3. The parent claims an inability to pay the presumed child support amount to the division because the parent's reasonable shelter expenses total 60% or more of the parent's gross monthly income and no other person resides with and assists in these expenses, or the parent claims the child support amount is too low and the parent's share of the total child support and his/her reasonable living expenses equals 60% or more of his/her gross income.

4. The division may deviate to adjust the presumed child support amount up to 25% if any of the above factors exist.

5. If the amount of overnight visitation exceeds 146 nights, the division may determine the children are spending substantially equal time with both parents, which may require a deviation from the presumed child support amount.

6. If the total amount of children on the order exceeds six, the division will add to the amount determined by the guidelines for six children, the difference between the amount for five children and six children and add that amount for each additional child.

*AUTHORITY: section 454.400, RSMo Supp. 1999. Original rule filed Feb. 2, 1988, effective April 11, 1988. For intervening history, please consult the Code of State Regulations. Rescinded and readopted: Filed May 17, 2000.*

*PUBLIC COST: This proposed rule will cost state agencies or political subdivisions less than \$500 in the aggregate.*

*PRIVATE COST: This proposed rule is not estimated to cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Division of Child Support Enforcement, Lynn F. Fallen, 3418 Knipp Drive, Suite F, Jefferson City, MO 65109. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 16—RETIREMENT SYSTEMS**  
**Division 10—The Public School Retirement System of Missouri**  
**Chapter 6—The Nonteacher School Employee Retirement System of Missouri**

**PROPOSED AMENDMENT**

**16 CSR 10-6.040 Membership Service Credit.** The board is adding section (7).

*PURPOSE:* This amendment provides for a method by which age is calculated to determine eligibility for retirement.

(7) For the purpose of determining eligibility for retirement as a result of the sum of a member's age and years of creditable service equaling eighty (80) years or more, the member's age shall be determined by adding the member's age on the date of his or her most recent birthday and the partial year following the member's most recent birthday. Such partial year shall be determined by converting days following the member's most recent birthday into tenths of a year according to the following schedule:

At least 37 days and less than 73 days: one-tenth of a year  
 At least 73 days and less than 110 days: two-tenths of a year  
 At least 110 days and less than 146 days: three-tenths of a year  
 At least 146 days and less than 183 days: four-tenths of a year  
 At least 183 days and less than 219 days: five-tenths of a year  
 At least 219 days and less than 256 days: six-tenths of a year  
 At least 256 days and less than 292 days: seven-tenths of a year  
 At least 292 days and less than 329 days: eight-tenths of a year  
 At least 329 days and less than 365 days: nine-tenths of a year

*AUTHORITY:* section 169.610, RSMo 1994. Original rule filed Dec. 19, 1975, effective Jan. 1, 1976. For intervening history, please consult the *Code of State Regulations*. Amended: Filed June 15, 2000.

*PUBLIC COST:* This proposed amendment will not cost state agencies or political subdivisions more than \$500 in the aggregate.

*PRIVATE COST:* This proposed amendment will not cost private entities more than \$500 in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with the Public School and Non-Teacher School Employee Retirement Systems of Missouri, Joel Walters, Executive Director, P.O. Box 268, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 19—DEPARTMENT OF HEALTH  
 Division 20—Division of Environmental Health and  
 Communicable Disease Prevention  
 Chapter 20—Communicable Diseases**

**PROPOSED AMENDMENT**

**19 CSR 20-20.100 Tuberculosis Testing for Residents and Workers in Long-Term Care Facilities and State Correctional Centers.** The department is deleting section (6).

*PURPOSE:* This rule continues the established tuberculosis testing requirements for residents and workers in long-term care facilities and state correctional centers. The amendment deletes the requirement that this rule expires on June 30, 2000.

*[(6) This rule will expire June 30, 2000.]*

*AUTHORITY:* section 199.350, RSMo 1994. Original rule filed April 17, 1995, effective Nov. 30, 1995. Emergency amendment filed June 14, 2000, effective June 24, 2000, expires Feb. 22, 2001. Amended: Filed June 14, 2000.

*PUBLIC COST:* This proposed amendment will cost state agencies or political subdivisions \$1,202,606 annually in the aggregate.

*PRIVATE COST:* This proposed amendment will cost private entities \$1,077,852 annually in the aggregate.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with Pamela Rice-Walker, Division Director, Division of Environmental Health and Communicable Disease Prevention, 930 Wildwood Drive, P.O. Box 570, Jefferson City, MO 65102. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

FISCAL NOTE  
PUBLIC ENTITY COST

I. RULE NUMBER

Title: 19 – Department of Health

Division: 20 – Division of Environmental Health and Communicable Disease Prevention

Chapter: 20 – Communicable Diseases

Type of Rule Making: Proposed Amendment

Rule Number and Name: 19 CSR 20-20.100 Tuberculosis Testing for Residents and Workers in Long-Term Care Facilities and State Correctional Centers

II. SUMMARY OF FISCAL IMPACT

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
MO Department of Health	\$0 annual cost
MO Department of Social Services	\$502,756 annual cost
MO Department of Corrections	\$699,850 annual cost

III. WORKSHEET

MO Department of Health

The Department of Health is not required to provide any tuberculin skin testing supplies or staff time to conduct the tests under the proposed rule.

MO Department of Social Services

1. The standard Medicaid reimbursement rates for tuberculin skin tests (\$8.00), highly complex office visit (\$31.50), and two view chest x-ray and interpretation (\$16.50) were used to estimate the long-term care portion of the rule paid through Medicaid.
2. In 1998, an estimated 27,914 residents in skilled nursing and intermediate care facilities were Medicaid clients.

MO Department of Corrections

1. The Department of Corrections uses a rate of \$10 per tuberculin skin test. The fiscal estimate also used standard Medicaid reimbursement rates for the physician office visit and chest x-ray and interpretation to estimate the fiscal impact of the rule.
2. Approximately 55,000 tuberculin skin tests were conducted on inmates in 1999.
3. There were 11,489 staff that received tuberculin skin tests in 1999.

IV. ASSUMPTIONS

1. There will be 90% of the long-term care residents that have an initial skin test reading < 10 mm and will require a second test.

2. There will be 90% of the long-term care residents that have a skin test reading  $< 10$  mm on the second test and require no further evaluation.
3. There will be 10% of the long-term care residents that have a skin test reading  $\geq 10$  mm on the second test and require a chest x-ray and medical evaluation.
4. Each year 1-2% of all inmates in the Department of Corrections will have a positive skin test for the first time.
5. Approximately 10% of employees new to the Department of Corrections will have a positive skin test each year. This is based on the fact that it is estimated that about 10% of the adult population in the U.S. have tuberculosis infection.
6. Department of Corrections pays all costs for staff and inmates.
7. There is an annual 5% inflation increase projected for the life of the rule.
8. For a detailed breakdown of estimates, contact the Missouri Department of Health, Section of Vaccine-Preventable and Tuberculosis Disease Elimination.



**FISCAL NOTE  
 PRIVATE ENTITY COST**

**I. RULE NUMBER**

Title: 19 – Department of Health

Division: 20 – Division of Environmental Health and Communicable Disease Prevention

Chapter: 20 – Communicable Diseases

Type of Rule Making: Proposed Amendment

Rule Number and Name: 19 CSR 20-20.100 Tuberculosis Testing for Residents and Workers in Long-Term Care Facilities and State Correctional Centers.

**II. SUMMARY OF FISCAL IMPACT**

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimate n the aggregate as to the cost of compliance with the rule by the affected entities.
476	Skilled Nursing Facility	\$782,481 annual costs
71	Intermediate Care Facility	\$101,187 annual costs
365	Residential Care Facility II	\$140,882 annual costs
310	Residential Care Facility I	\$53,302 annual costs

**III. WORKSHEET**

1. A cost of .498 cents per tuberculin skin test for supplies and \$20 per hour for a registered nurse was used to estimate the fiscal cost of the rule that applies to long-term care staff and residents that receive the tuberculin skin test at the facility. The standard Medicaid reimbursement rates for a high complex office visit (\$31.50) and two view chest x-ray and interpretation and two view chest x-ray and interpretation (\$16.50) were used to estimate the cost of evaluating persons identified with a positive skin test through testing done at the long-term care facility.
2. The standard Medicaid reimbursement rates for tuberculin skin tests (\$8.00), highly complex office visit (\$31.50), and two view chest x-ray and interpretation (\$16.50) were used to estimate the fiscal cost of the rule that applies to long-term care staff and residents that receive the tuberculin skin test at a facility other than the long-term care facility.

**Skilled Nursing Facility**

It is estimated that a total of 27,900 current staff, 18,135 new staff, and 26,507 non-Medicaid residents received tuberculin skin tests in 1998.

**Intermediate Care Facility**

It is estimated that a total of 7,380 current staff, 4,797 new staff, and 1,441 non-Medicaid residents received tuberculin skin tests in 1998.

**Residential Care Facility II**

It is estimated that a total of 2,520 current staff, 1,820 new staff, and 5,980 non-Medicaid residents received tuberculin skin tests in 1998.

## Residential Care Facility I

It is estimated that a total of 1,350 current staff, 878 new staff, and 2,136 non-Medicaid residents received tuberculin skin tests in 1998.

**IV. ASSUMPTIONS**

1. The tuberculin skin tests for most staff will be conducted at the long-term care facility.
2. The tuberculin skin tests for residents will be conducted at a facility other than the long-term care facility.
3. There will be 10% of current staff that already have a positive skin test.
4. There will be 10% of new staff and new residents that have an initial skin test reading <10 mm and will require a second test. This is based on the fact that an estimated 10% of the U.S. adult population already has tuberculosis infection.
5. There will be 90% of new staff and new residents that have a second skin test reading <10 mm and require no further evaluation.
6. There will be 10% of new staff and new residents that have a skin test reading  $\geq 10$ mm on the second test and require a chest x-ray and medical evaluation.
7. There is an annual 5% inflation increase projected for the life of the rule.
8. For a detailed breakdown of estimates, contact the Missouri Department of Health, Section of Vaccine-Preventable and Tuberculosis Disease Elimination.

**Title 19—DEPARTMENT OF HEALTH  
Division 20—Division of Environmental Health and  
Communicable Disease Prevention  
Chapter 28—Immunization**

**PROPOSED AMENDMENT**

**19 CSR 20-28.040 Day Care Immunization Rule.** The department is amending sections (2) and (3), deleting sections (5) and (6) and deleting the forms following section (5) in the *Code of State Regulations*.

*PURPOSE:* This proposed amendment deletes language that is repetitive and that dictates medical practice. The proposed amendment also deletes the requirement that this rule expires on June 30, 2000.

*PURPOSE:* This rule establishes immunization requirements [according to the Recommended Childhood Immunization Schedule—United States, January 1995, as approved by] in accordance with recommendations of the Advisory Committee on Immunization Practices (ACIP), the American Academy of Pediatrics and the American Academy of Family Physicians,] for all children attending public, private or parochial day care, preschool or nursery schools caring for ten or more children, and describes actions to be taken to ensure compliance with section 210.003, RSMo.

(2) No child shall enroll in or attend a public, private or parochial day care center, preschool or nursery school caring for ten (10) or more children unless the child has been adequately immunized according to this rule. [The immunization schedules in Tables 1–4, section (5) of this rule represent the standard by which the immunization status of children in day care shall be measured.] Children attending elementary school who receive before, after school care, or both, shall meet the immunization requirements established in the School Immunization Rule, 19 CSR 20-28.010. Preschool-age children shall [meet the following immunization requirements:]

[(A) Diphtheria, Tetanus, Pertussis, Polio, and Hepatitis B—Immunization] be immunized against diphtheria, tetanus, pertussis, polio, [and] hepatitis B, *Haemophilus influenzae* type b, measles, mumps and rubella [shall be required for all children] according to [the schedule which appears in Tables 1–4, section (5) of this rule. The total number of doses required will vary depending on the child's age. Exemptions shall be permitted upon receipt of written notification of exemption on Parent/Guardian Immunization Exemption Form (Imm.P. 11) or Medical Immunization Exemption Form (Imm.P. 12);] the latest Recommended Childhood Immunization Schedule—United States, approved by the Advisory Committee on Immunization Practices (ACIP). As the schedule is updated, it will be available from and distributed by the Department of Health.

[(B) *Haemophilus influenzae* type b. Immunization against *Haemophilus influenzae* type b shall be required of all children less than five (5) years of age according to the schedule which appears in Tables 1–4, section (5) of this rule. The last dose of Hib vaccine must have been received at age twelve (12) months or greater. Exemptions will be permitted upon receipt of written notification of exemption on Parent/Guardian Immunization Exemption Form (Imm.P. 11) or Medical Immunization Exemption Form (Imm.P. 12); and

(C) Measles, Mumps, Rubella—Immunization against measles, mumps and rubella shall be required of all children according to the schedule which appears in Tables 1–4, section (5) of this rule. Exemptions shall be permitted

upon receipt of written notification of exemption on Parent/Guardian Immunization Exemption Form (Imm.P. 11) or Medical Immunization Exemption Form (Imm.P. 12).]

(3) Section 210.003, RSMo provides that a child who has not completed all appropriate immunizations may enroll if—

(A) Satisfactory evidence[s] is produced that the child has begun the process of immunization. The child may continue to attend as long as the immunization process is being accomplished according to the ACIP/Department of Health recommended schedule [which appears in Tables 1–4, section (5) of this rule. A Department of Health Immunizations in Progress Form (Imm.P. 14) must be on file with the immunization record of each child who is in the process of completing the required immunizations]. Failure to meet the next scheduled appointment constitutes noncompliance with the day care immunization law and action shall be initiated immediately by the administrator to have the child excluded from the facility [; or].

[(5) The following schedules shall determine if a child is adequately immunized or when the next dose of vaccine is due for a child found to be in noncompliance with the immunization requirements:]

[[Missouri Immunization Schedules as printed in section (5)]

[(6) This rule expires June 30, 2000.]

*AUTHORITY:* sections 192.006, RSMo Supp. 1999 and 210.003, RSMo 1994. Emergency rule filed Aug. 1, 1995, effective Aug. 11, 1995, expired Dec. 8, 1995. Original rule filed April 17, 1995, effective Nov. 30, 1995. Emergency amendment filed June 14, 2000, effective June 24, 2000, expires Feb. 22, 2001. Amended: Filed June 14, 2000.

*PUBLIC COST:* This proposed amendment is estimated to cost the Department of Health \$41,657 total aggregate costs annually. A fiscal note containing a detailed estimated cost of compliance has been filed with the secretary of state.

*PRIVATE COST:* This proposed amendment is estimated to cost child care facilities \$399,100 total aggregate costs annually. A fiscal note containing a detailed estimated cost of compliance has been filed with the secretary of state.

*NOTICE TO SUBMIT COMMENTS:* Anyone may file a statement in support of or in opposition to this proposed amendment with Pamela Rice Walker, Director, Division of Environmental Health and Communicable Disease Prevention, P.O. Box 570, Jefferson City, MO 65102, phone (573) 751-6080. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**FISCAL NOTE  
PUBLIC ENTITY COST**

**I. RULE NUMBER**

Title: 19 -- Department of Health

Division: 20 -- Division of Environmental Health and Communicable Disease Prevention

Chapter: 28 - Immunization

Type of Rule Making: Proposed Amendment

Rule Number and Name: 19 CSR 20-28.040 Day Care Immunization Rule

**II. SUMMARY OF FISCAL IMPACT**

Affected Agency or Political Subdivision	Estimated Cost of Compliance in the Aggregate
Missouri Department of Health	\$41,657 annually

**III. WORKSHEET**

The estimate in the aggregate was calculated as follows:

Salaries

5% of salaries for nine District Health Program Representatives	\$16,200	
25% of salary for one Health Program Representative	\$ 8,577	
25% of salary for one Clerk Typist	\$ 4,356	
<b>TOTAL SALARIES</b>		\$29,133
<b>FRINGE BENEFIT @ 27%</b>		<u>\$ 7,866</u>
<b>TOTAL</b>		<b>\$36,999</b>

Office Expenses

Printing costs for survey packet	\$ 4,658
<b>TOTAL ANNUAL COSTS</b>	<b>\$41,657</b>

**IV. ASSUMPTIONS**

As a result of the deletion of the requirement that this rule expires on June, 30, 2000, costs to the Department of Health to perform duties addressing immunization issues pertaining to this Rule will be ongoing. One Health Program Representative will function as coordinator for the program. The Clerk Typist will provide clerical assistance, including data entry. Nine District Health Program Representatives will conduct validation surveys in a small number of facilities on a biennial basis. Each of these staff will provide technical assistance to day care staff and health care providers, addressing the immunization schedule and requirements for attendance.

For the purposes of this fiscal note, costs were calculated based upon the amount of time staff would dedicate to day care activities: 25% of salaries for one Health Program Representative and one Clerk Typist, and 5% of salaries for nine District Health Program Representatives.

Printing costs for materials was included at the rate of \$4,658. The total annual cost to the Department of Health is \$41,657.

**FISCAL NOTE  
PRIVATE ENTITY COST**

**I. RULE NUMBER**

Title: 19 -- Department of Health

Division: 20 -- Division of Environmental Health and Communicable Disease Prevention

Chapter: 28 -- Immunization

Type of Rule Making: Proposed Amendment

Rule Number and Name: 19 CSR 20-28.040 Day Care Immunization Rule

**II. SUMMARY OF FISCAL IMPACT**

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities.
6,000	Day Care Facilities	\$399,100 annually

**III. WORKSHEET**

The estimate in the aggregate was calculated as follows:

Day care staff time involved in the review of children's immunization records was estimated to be approximately 30 minutes per child. An additional 4 hours was estimated to be required to complete the annual survey form at each facility. The staff salary was estimated at an average of \$5.15 per hour.

**IV. ASSUMPTIONS**

As a result of the deletion of the requirement that this rule expires on June 30, 1000, costs to day care facilities for immunization activities will be ongoing. For the purposes of this fiscal note, the following costs to day care facilities were calculated:

Approximately 100,000 children attend day care in the 6,000 facilities in the state. It is estimated that approximately 30 minutes of staff time is required to review each of the children's records. At the estimated average salary of \$5.15 per hour, the cost to facilities is \$275,500.

In addition, an estimate of 4 hours of staff time is required to complete the immunization survey form. Using the average salary of \$5.15 per hour, the cost to facilities is \$123,600.

The total annual cost to day care facilities is approximately \$399,100.

**Title 19—DEPARTMENT OF HEALTH  
Division 30—Division of Health Standards and  
Licensure  
Chapter 24—Psychiatric Hospitals**

**PROPOSED AMENDMENT**

**19 CSR 30-24.020 Administration Standards for Psychiatric Hospitals.** The department is amending paragraphs (1)(C)3. and (1)(C)5.

*PURPOSE: The Department of Health is establishing a new definition of medical staff to include dentists and psychologists.*

(1) Organization, Administration, Medical Staff, Nursing and Services Provided.

(C) Medical Staff.

1. The governing body shall provide in its bylaws for the appointment of an adequate and competent medical staff to provide the necessary psychiatric and medical care and supervision as required by the program.

2. The medical staff of a psychiatric hospital shall be an organized group which shall initiate and adopt, with approval of the governing body, bylaws, rules and policies governing their professional activities in the hospital.

3. *[Physicians]* **Medical staff** will be permitted to practice in the hospital in accordance with their competence as recommended by the professional staff and authorized by the governing body.

4. The responsibility for the treatment and care of patients shall rest with the attending physician, who is accountable to the governing body.

5. *[Each member of the medical staff shall be a physician who is a graduate of an approved school of medicine or osteopathy legally licensed accordingly to practice in Missouri and who is competent in his/her respective field and is professionally ethical. Staff appointments shall be according to the approved bylaws.]* **Medical staff membership shall be limited to physicians, dentists, psychologists and podiatrists. They shall be currently licensed to practice their respective professions in Missouri. The bylaws of the governing body and medical staff shall include the procedure to be used in processing applications for medical staff membership; approving or disapproving appointments; and determining the privileges available to physicians, dentists, psychologists and podiatrists.**

6. Each member of the medical staff shall submit a written application for staff membership on the approved form to the governing body.

7. The governing body, after considering recommendations of the medical staff, shall determine the privileges extended to each member of the staff according to his/her qualifications and standards of performance.

8. The medical staff shall elect a president (chief) of staff, acceptable to the governing body and such other officers and committees as is deemed necessary to meet the goals of the hospital. The president (chief) of staff shall have training and experience in psychiatry and preferably be a diplomate of the American Board of Psychiatry, in psychiatry.

9. The medical staff shall meet regularly and complete minutes are to be kept of these meetings.

10. The staff shall adopt policies for professional consultation in writing.

11. The medical staff shall develop and utilize appropriate procedures for continuing review and evaluation of the practice of medicine in the hospital by its individual members. Complete records shall be kept of these reviews and evaluations.

12. The medical staff shall maintain complete and adequate records on each patient.

13. The medical staff shall comply with acceptable professional ethical standards with regard to advertising, commissions, division of fees, secret remedies, extravagant claims, commercialization and in all other respects.

14. The medical staff shall establish policies for the recommendation of discharge of a member by the governing body.

15. There shall be a consulting medical staff, consisting of medical practitioners of recognized professional ability, who have accepted appointment to the consulting staff.

*AUTHORITY section 197.080, RSMo [Supp. 1993] Supp. 1999. This rule was previously filed as 13 CSR 50-24.020 and also 19 CSR 10-24.020. Original rule filed Jan. 31, 1974, effective March 1, 1974. Amended: Filed June 14, 1988, effective Oct. 13, 1988. Amended: Filed June 14, 2000.*

*PUBLIC COST: This proposed amendment cost is less than \$500 in the aggregate to this agency, any other agency of state government or any political subdivision thereof.*

*PRIVATE COST: This proposed amendment cost is less than \$500 in the aggregate to private entities.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or opposition to this proposed amendment with Lois Kollmeyer, Director, Division of Health Standards and Licensure, Department of Health, P.O. Box 570, Jefferson City, MO 65102, 573 751-6303. To be considered, comments shall be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**Title 19—DEPARTMENT OF HEALTH  
Division 70—Division of Chronic Disease Prevention  
and Health Promotion  
Chapter 21—Cancer**

**PROPOSED RESCISSION**

**19 CSR 70-21.010 Reporting of Cancer Cases.** This rule had established a method of mandatory reporting of all cancer cases by hospitals in Missouri as required by sections 192.650–192.657, RSMo 1986.

*PURPOSE: This rule is being rescinded because the cancer reporting legislation was expanded to include reporting by outpatient hospital settings, pathology laboratories, physician offices, ambulatory surgical centers, residential care facilities I or II, intermediate care facilities or skilled nursing facilities and free-standing cancer clinics and treatment centers.*

*AUTHORITY: sections 192.650–192.657, RSMo 1986. This rule was previously filed as 13 CSR 50-115.010 and 19 CSR 20-21.010. Original rule filed May 11, 1984, effective Aug. 11, 1984. Amended: Filed June 19, 1987, effective Sept. 11, 1987. Rescinded: Filed June 14, 2000.*

*PUBLIC COST: This proposed rescission will not cost state agencies or political subdivisions more than \$500 in the aggregate.*

*PRIVATE COST: This proposed rescission will not cost private entities more than \$500 in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rescission with Bernard Malone, Division Director, Missouri Department of*

Health, Division of Chronic Disease Prevention and Health Promotion 920 Wildwood, Jefferson City, MO 65109, phone (573) 522-2801, FAX (573) 522-2898, E-mail address mal-onb@mail.health.state.mo.us. To be considered, comments must be received within thirty days after publication of this notice in the *Missouri Register*. No public hearing is scheduled.

**Title 19—DEPARTMENT OF HEALTH**  
**Division 70—Division of Chronic Disease Prevention**  
**and Health Promotion**  
**Chapter 21—Cancer**

**PROPOSED RULE**

**19 CSR 70-21.010 Reporting of Cancer Cases**

*PURPOSE:* This rule establishes a method of mandatory reporting of all cancer cases of inpatients and outpatients in order to conduct cancer incidence surveillance and epidemiologic studies and to facilitate development, implementation and evaluation of cancer prevention and control measures in Missouri as required by sections 192.650, 196.653, 192.655 and 192.657, RSMo Supp. 1999.

*PUBLISHER'S NOTE:* The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law.

(1) The following are definitions of terminology used throughout this rule.

(A) Cancer—those malignant neoplasms included in the list of cancers with a fifth digit of two or three listed under the heading, “Morphology of Neoplasms,” contained in the current editions of “International Classification of Diseases” (ICD) or “International Classification of Diseases for Oncology” (ICD-O) published by the World Health Organization.

(B) Department—the Missouri Department of Health.

(C) Non-melanomatous skin cancers—cutaneous, malignant basal and squamous cell neoplasms as defined in the current edition of the *Missouri Cancer Registry Abstract Code Manual*, which is incorporated by reference in this rule.

(D) State registry—a centralized cancer reporting system maintained by the Missouri Department of Health for the collection, storage, analysis and interpretation of data on cancer patients.

(E) Reporting entity—hospital, pathology laboratory, ambulatory surgical center, free-standing cancer clinic and treatment center, physician office, skilled nursing facility, intermediate care facility or residential care facility I or II.

(F) Case—A primary incidence of cancer. A patient may have more than one primary incidence of cancer.

(2) The administrator or designated representative of a reporting entity shall report every case of cancer—with the exception of non-melanomatous skin cancers—to the director of the department or to the director's designated representative. Hospitals that electronically report shall use the North American Association of Central Cancer Registries (NAACCR) layout and shall use information provided by the physician to complete the report. Hospitals with more than 75 cases of cancer annually who do not electronically report shall use the paper report format “Cancer Registry Initial Abstract” provided by the state registry and shall use information provided by the physician to complete the report. Hospitals with less than 75 cases of cancer annually who do not electronically report shall use the paper report format “Missouri Cancer Registry

Initial Abstract” provided by the state registry completed using information provided by the physician or submit copies of medical record documentation sufficient for abstraction of required cancer incidence data. All non-hospital reporting entities shall report all required data items using the paper form supplied by the state registry or in an electronic format designated by the state registry.

(A) Reports shall be made by the administrator or designated representative of the reporting entity within six months after the diagnosis or within six months after the date of first contact for this primary incidence of cancer at the reporting entity. Coding will be completed as described in the current edition of the *Missouri Cancer Registry Abstract Code Manual*.

(3) All patients seen, diagnosed or treated for cancer for the first time by a physician or other health care provider on an inpatient or outpatient basis are to be reported. Subsequent reports on such patients are not required unless a new primary incidence of cancer is diagnosed.

(A) Physician offices are exempt from reporting cases that are directly referred to or previously have been admitted to any other facility that is required to report as described in subsection (1)(E) above (i.e., hospital, pathology laboratory, ambulatory surgical center, free-standing cancer clinic and treatment center, physician office, skilled nursing facility, intermediate care facility or residential care facility I or II). Physicians may be contacted by the state registry if additional information regarding a directly referred or previously admitted case is considered necessary for abstraction of required cancer incidence data.

(4) The minimum data reported on each case shall include those data elements required by the Centers for Disease Control and Prevention (CDC) National Program of Cancer Registries (NPCR) and years of tobacco use. The department recommends reporting all data elements required and/or recommended by the American College of Surgeons (ACoS), not already included in the NPCR requirements and toxic exposure, the Missouri-specific optional data element.

(5) The department may provide training or written instructions for individuals designated by a reporting entity's administrator or designated representative to facilitate submission of required information.

(6) A reporting entity is considered compliant if it meets the requirements of sections 192.650 and 192.653, RSMo. A non-compliant reporting entity will be notified in writing as to their non-compliant status within 30 days following the end of the six-month period and will be given an opportunity to take corrective action within 60 days from the date of the notification letter. If the reporting entity does not comply within 60 days, a second notification letter will be sent directing the reporting entity to comply within 30 days.

(7) A researcher requesting data must provide the department with a current curriculum vitae and publication list, indicate in precise detail the data which are desired, provide a copy of the research protocol describing the purpose(s) for which the data are to be used and a copy of their Institutional Review Board (IRB) approval.

(A) In the event the data requested include the identity of any patient, physician, health care provider or reporting entity and provided that the department has determined that identifying data are necessary for the research, has approved it through the department's IRB and has determined that the research is worthwhile, the researcher must agree in writing to protect the confidentiality of the data and to use such data only for purposes stated in the written agreement and not for any secondary purpose. Identifying data will be released only after consent for this purpose has been



obtained from the patient, physician, health care provider or reporting entity—whichever is appropriate—as authorized in section 192.655, RSMo and may not be made available to any other individual, agency, institution, or firm.

(B) No follow-back of any type shall be made to any individual, institution or agency without written authorization by the department. Any data released by a researcher shall be restricted to aggregate data and shall not identify any individual or institution. The department shall be given credit as the source of the data. A copy of the results of the research shall be furnished to the department.

(C) If electronic media are provided, such media, after serving the purpose set forth in this subsection, shall be erased unless specific authority is required and granted for their retention and future use.

(D) The researcher will be billed prior to delivery of the data for a reasonable fee to cover actual costs to the department for retrieving and preparing the requested data, together with costs of postage and handling fees.

(8) The data provided by each reporting entity and single copies of analyses based upon data from that entity will be provided to hospitals in the form of management reports and routine periodic quality control reports at no cost to the hospital for purposes of advancement of research, education and treatment. Management reports and routine periodic quality control reports will be made available upon written request to other reporting entities at no cost.

(A) Single copies of reports summarizing the data from all reporting entities will be provided upon written request to each reporting entity at no cost. Multiple copies will be made available upon receipt of a fee sufficient to cover the cost of reproduction of the document together with postage and handling fees.

(B) Special reports requested by a reporting entity will be made available upon receipt of a fee sufficient to cover the cost of analysis, interpretation, compilation and reproduction of the document together with postage and handling fees.

*AUTHORITY: sections 192.006 and 192.650–192.657, RSMo Supp. 1999. This rule was previously filed 13 CSR 50-115.010 and 19 CSR 20-21.010. Original rule filed May 11, 1984, effective Aug. 11, 1984. Amended: Filed June 19, 1987, effective Sept. 11, 1987. Rescinded and readopted: Filed June 14, 2000.*

*PUBLIC COST: This proposed rule will cost state agencies or political subdivisions \$310,802 annually in the aggregate.*

*PRIVATE COST: This proposed rule will cost private entities \$735,796 annually in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with Bernard Malone, Division Director, Missouri Department of Health, Division of Chronic Disease Prevention and Health Promotion, 920 Wildwood, Jefferson City, MO 65109, E-mail address malonb@mail.health.state.mo.us. To be considered, comments must be received within thirty days after publication of this notice in the Missouri Register. No public hearing is scheduled.*

**FISCAL NOTE  
PUBLIC ENTITY COST**

**I. RULE NUMBER**

Title 19 – Department of Health

Division 70 – Division of Chronic Disease Prevention and Health Promotion

Chapter 21 – Cancer

Type of Rule Making – Proposed Rule

Rule Number and Name - 19 CSR 70-21.010 Reporting of Cancer Cases

**II. SUMMARY OF FISCAL IMPACT**

Affected Agency of Political Subdivision	Estimated Cost of Compliance in the Aggregate
Department of Health	Estimated cost in the aggregate of \$282,522 annually
Other State Agencies	Not Applicable
Political Subdivision	Not Applicable
Public Hospitals	Estimated cost in the aggregate of \$28,280 annually

**III. WORKSHEET**

**Department of Health Estimated Cost Of Compliance**

**Personal Services:** This category includes the Department of Health staff who are employed to oversee and maintain the cancer information reporting system. All other personnel who are associated with the cancer information reporting system are included in contractual agreements described in succeeding sections of this fiscal note.

<b>Title</b>	<b>Annual Salary</b>	<b>% Time</b>	<b>Applicable Salary</b>
Division Director	\$76,380	10	\$7,638
Office Chief	50,232	50	25,116
Program Coordinator	52,232	100	52,232
Medical Epidemiologist	84,000	25	21,000
Research Analyst	32,366	25	8,092
Fiscal Officer	33,624	50	16,812
Office Manager	21,768	100	21,768
Casefinding Coordinator	34,992	100	34,992
Health Program Rep.	36,468	75	27,351

Project Specialist (part time)	10,140	100	10,140
Project Specialist (part time)	11,440	50	5,720
<b>Total Personal Service</b>			<b>\$230,861</b>

Personal services costs will be adjusted annually 5% for inflation.

**Benefits:** Benefits are included only for positions paid from federal sources. These include all positions listed above except the Division Director and Program Coordinator.

$\$230,861 \times 27\% = \$62,332$

**Total Benefits = \$62,332**

**Expense and Equipment:** These are itemized according to type as follows.

Travel, In-State:

Total = \$13,332.16

- Quarterly Missouri Cancer Registry Advisory Board meetings (lodging @ \$59 x 18 members = \$1,062; mileage @ .28/mi x 250 miles = \$70.00 x 18 members = \$1,260; travel meals @ \$20/member x 18 = \$360; lunch @ \$8/member x 25 members, guests and staff = \$200; conference room \$150; breaks \$72) Total = \$3,104 x 4 meetings = \$12,416
- Bi-State Tumor Registrars Association (BiSTRA) Quarterly Meetings (meals @ \$7/person x 2 = \$14; mileage @ .28/mi x 246 miles = \$68.88) Total \$82.88 x 4 meetings = \$331.52
- Kansas City Area Tumor Registrars Association (KCATRA) Bi-monthly Meetings (meals @7/person x2 = \$14; mileage @ .28/mi x 298 miles = \$83.44) Total \$97.44 x 6 meetings = \$584.64

Travel, Out-of –State:

Total = \$17,871.40

For out-of-state travel, all mileage is based on departing from St. Louis airport, mileage @ .28/mi x 246 miles = \$68.88

- North American Association of Central Cancer Registries (NAACCR) Annual Conference and Short Course/Workshop; (registration \$200; airfare \$400; lodging @ \$150 x 7 nights = \$1,050; 3 meals/day @ \$50 x 8 days = \$400; subtotal \$2,050 x 3 staff = \$6,150; taxi \$40; mileage \$68.88; parking \$70) Total = \$6,328.88
- National Cancer Registrars Association (NCRA) Annual Meeting; (registration \$300; airfare \$500; lodging @ \$125 x 7 nights = \$875; 3 meals per day @ \$65 x 8 days = \$520; subtotal \$2,195 x 2 staff = \$4,390; taxi \$30; mileage \$68.88; parking \$70) Total = \$4,558.88

- NAACCR/Centers for Disease Control and Prevention (CDC) Workshops: held in various locations (airfare \$370; lodging @ \$150 x 2 nights = \$300; 3 meals/day @ \$50 x 3 days = \$150; subtotal \$820 x 2 = \$1,640; mileage \$68.88; taxi \$40; parking \$30) Total \$1,778.88/workshop x 2 = \$3,557.76
- Missouri Cancer Registry Information System (MoCRIS) training and consultation University of California at Irvine; (airfare \$326; lodging @ \$112 x 4 nights = \$448; 3 meals/day @ \$50 x 5 days = \$250; subtotal \$1,024 x 3 staff = \$3,072; mileage \$68.88; parking \$60; car rental \$225) Total \$3,425.88 x 1 trip = \$3425.88

## Administrative Supplies:

Total = \$7,269

- 23 boxes of green-bar paper @ \$27/box = \$621
- Glossy paper for color printer, 50 sheets/ream @ \$37 x 4 = \$148
- Office supplies for general operations (paper, pens, pencils, copy paper, diskettes, etc.) 12 months x \$400/month = \$4,800
- Journal subscriptions = \$200
- Books (miscellaneous books and software manuals) = \$1,500

## Computer Equipment (Hardware):

Total = \$14,519.18

- (2) IBM Thinkpad computers, Intel pentium 266 Mhz Pentium II processor, 5.1 gb hard drive, carrying case. Total \$3,877.59 x 2 = \$7,755.18
- (4) IBM PC 300 PL Pentium II processor \$1,250 x 4 = \$5,000
- (4) IBM Monitors \$286 x 4 = \$1,144
- One Hewlett-Packard Deskjet 340 printer @ \$620

## Communication Services and Supplies:

Total = \$24,590

Network allocation 10 x \$2,200 = \$22,000

Microsoft Office Standard license for 2 laptops - \$255 x 2 = \$510

Maintain Alpha 2100 system, 1 hr/week x 52 weeks @ \$40/hr = \$2,080

## Business Services:

Total = \$5,000

Printing of Missouri Cancer Registry (MCR) Abstract Code Manual revision, MCR Policies and Procedures Manual, MCR Annual Report on Cancer Incidence and Mortality in Missouri, etc. = \$5,000

## Professional Development:

Total = \$2,420

Annual membership dues (NCRA, MoSTRA, BiSTRA, KCATRA, Bootheel; subtotal \$120 x 1 staff = \$120)

Miscellaneous fees for workshops, seminars, etc. for staff training = \$800

Support for BiSTRA, KCATRA, Bootheel, MoSTRA educational workshops and reporting entity training = \$1,500

**Total Expense and Equipment = \$85,001.74**

**Contractual:**

- University of California at Irvine – software vendor and technical support for Missouri Cancer Registry Information System (MoCRIS) Total = \$69,654
  - Salaries \$30,365
    - Principal Investigator (2% time)
    - Project Manager (10% time)
    - Programmer/Analyst (30% time)
    - Programmer/Analyst (5% time)
  - Fringe \$7,591
    - 25% of salaries
  - Supplies \$245
    - General office and computer supplies
  - Other \$18,318
    - Communications/network, postage,
    - Photocopy, computer network maintenance,
    - Symcas Service Agreement, Centerpointe
    - Building Lease
  - Indirect Costs \$13,135
    - 26% of total direct cost excluding
    - building lease (lease is \$6,000 annually)
- Professional Services – visual review of cancer abstract edit reports. Total = \$22,500 (15,000 reviews @ \$1.50/review)
- University of Missouri-Columbia – geocoding for cancer incidence cases. Total = \$2,000 (4 processing cycles at \$500/cycle)
- University of Missouri-Columbia – Missouri Cancer Registry operations Total = \$445,500
  - Salaries \$300,000
    - Cancer Data Coordinator (4)
    - Registry Database Manager
    - Quality Assurance Coordinator
    - Computer Information Tech
    - Research Analyst
    - Certified Tumor Registrar
    - Clerk Typist

Fringe		
25% of salaries		\$75,000
Travel		\$8,000
In-state for training		
Out-of-state for NAACCR Conference		
Supplies		\$2,000
General office and computer supplies		
Other		\$20,000
Software and licensing		
Indirect Costs		\$40,500
10% of total direct cost		

There will be a 5% annual increase in the contract.

- St. Louis University School of Public Health – epidemiologic research on cancer including data dissemination and utilization. Total = \$14,703
 

Salaries		\$10,693
Research Assistant (15 hours/week)		
Biostatistician (5 hours/week)		
Fringe		\$2,673
25% of salaries		
Administrative Fee		\$1,337
10% of salaries and fringe		

**Total Contractual = \$554,327**

**Subtotal for Department of Health Cost of Compliance = \$932,521.74**

Funding in the amount of \$650,000 from the Centers for Disease Control for Federal Fiscal Year 1999 and Prevention specifically for the purpose of operating a cancer information reporting system received by the Department through a grant offset the cost of compliance. Therefore, the cost of compliance for the Department is reduced ( $\$932,521.74 - \$650,000 = \$282,521.74$  rounded to \$282,522).

**Total Department of Health Estimated Annual Cost of Compliance = \$282,522.**

### **Public Hospitals Estimated Cost of Compliance**

There are 5 city hospitals, 20 county hospitals, 1 city/county hospital and 5 Veterans Administration/military hospitals in Missouri. Seven (7) of these will report electronically, 5 manually and 20 by medical record documentation. Estimated costs by reporting type are:

- Electronic reporting: 7 hospitals x \$9.95 per reported case x 300 average number of cases reported annually = \$20,895. This is based on an average of actual number of cases for these 7 hospitals.
- Manual reporting: 5 hospitals x \$11.35 per reported case x 100 average number of cases reported annually = \$5,675. This is based on an average of actual number of cases for these 5 hospitals slightly inflated due to 1 hospital having 300 cases per year.
- Medical record documentation: 19 hospitals x \$6.00 per reported case x 15 average number of cases reported annually = \$1,710. This is based on an average of actual number of cases for these 19 hospitals.

**Total Public Hospitals Estimated Annual Cost of Compliance = \$28,280**

## **IV. ASSUMPTIONS**

### **Department of Health Estimated Cost of Compliance**

Department of Health (DOH) costs are based upon:

1. actual salaries of staff who support the Missouri Cancer Registry (MCR);
2. benefits for those positions paid from state and/or federal sources (9 positions);
3. itemized expenses from the MCR operating budget including in-state and out-of-state travel, administrative supplies, computer equipment, communication services and supplies, business services, professional development; and
4. actual contractual costs.

The detailed calculations are included in the worksheet section. Costs will be adjusted 5% annually for inflation.

### **Public Hospitals Estimated Cost of Compliance Assumptions**

Public hospitals are required to report. Three means of reporting will be used based upon size of the facility and number of primary cases of cancer it is expected they will report. These three means of reporting are:

1. Electronic reporting – This includes using the North American Association of Central Cancer Registries (NAACCR) layout completed based upon information provided by the physician.
2. Manual reporting – This involves completing the paper report format “Cancer Registry Initial Abstract.” This will generally be completed by hospitals having more than 75 cases of cancer annually who do not electronically report.
3. Medical record documentation reporting – This involves submitting copies of the medical record documentation sufficient for abstraction of required cancer incidence data. This will generally be completed by hospitals having less than 75 cases of cancer annually who do not electronically report.

Assumptions regarding costs for electronic reporting:

1. Estimated costs are based upon data submitted to the Missouri Cancer Registry from hospitals who report in this manner as their in-kind contribution to comply with reporting requirements.
2. An average cost has been calculated for reporting based upon data from 14 hospitals that report electronically. This is calculated at an average of \$9.95 per report. This is based upon the amount of in-kind contribution in order to comply with reporting requirements as stated in a letter to the Missouri Cancer Registry from the reporting hospital divided by the total number of cancer cases reported by that hospital. An average of all hospitals was then calculated.

Assumptions regarding costs for manual reporting:

1. Estimated costs are based upon an average hourly salary for medical records personnel of \$11/hour.
2. Estimated time to complete the case including casefinding, abstraction and submission is 1 hour.
3. Estimated postage per case is \$.33.
4. Estimated per case cost is \$11.33 rounded to \$11.35 per case.

Assumptions regarding costs for medical record documentation reporting:

1. Estimated costs are based upon an average hourly salary for medical records personnel of \$11/hour.
2. Estimated time to complete the case including casefinding, identifying portions of medical record to be copied, copying and submitting is .5 hour.
3. Estimated cost for copying including the paper is \$.15 plus \$.33 for postage.



4. Estimated per case cost is \$5.98 rounded to \$6 per case.  
Costs for reporting will be adjusted 5% annually for inflation.

**FISCAL NOTE  
PRIVATE ENTITY COST**

**I. RULE NUMBER**

Title 19 – Department of Health

Division 70 – Division of Chronic Disease Prevention and Health Promotion

Chapter 21 – Cancer

Type of Rule Making – Proposed Rule

Rule Number and Name - 19 CSR 70-21.010 Reporting of Cancer Cases

**II. SUMMARY OF FISCAL IMPACT**

Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Classification by type of the business entities which would likely be affected:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities.
53	Electronically reporting hospitals	Estimated cost in the aggregate of \$237,308 annually
4	Manual reporting hospitals	Estimated cost in the aggregate of \$3,859 annually
52	Medical record documentation reporting hospitals	Estimated cost in the aggregate of \$4,368 annually
121	Pathology laboratories	Estimated cost in the aggregate of \$132,292 annually
2,376	Physician offices	Estimated cost in the aggregate of \$161,920 annually
44	Ambulatory surgical centers	Estimated cost in the aggregate of \$3,689 annually
1,265	Residential care facilities I or II and Intermediate care facilities or skilled nursing facilities	Estimated cost in the aggregate of \$600 annually
85	Free-standing cancer clinics and treatment centers	Estimated cost in the aggregate of \$191,760 annually

### **III. WORKSHEET**

#### **Hospitals Estimated Cost of Compliance**

There are 109 non-public hospitals in Missouri. Fifty-three (53) of these will report electronically, 4 manually and 52 by medical record documentation. Estimated costs by reporting type are:

- Electronic reporting: 53 hospitals x \$9.95 per reported case x 450 average number of cases reported annually = \$237,308.
- Manual reporting: 4 hospitals x \$11.35 per reported case x 85 average number of cases reported annually = \$3,859.
- Medical record documentation: 52 hospitals x \$6.00 per reported case x 14 average number of cases reported annually = \$4,368.

**Total Hospitals Estimated Annual Cost of Compliance = \$245,535**

#### **Pathology Laboratories Estimated Cost of Compliance**

There are 121 pathology laboratories in Missouri. Sixty-four (64) will report by laboratory record documentation and fifty-seven (57) will report electronically. Estimated costs by reporting type are:

- Laboratory record reporting: 64 laboratories x \$1.65 per reported case x 35 average number of cases reported annually = \$3,696 + \$4.00 for postage = \$3,700.
- Electronic reporting: 57 laboratories x \$256 annual reporting cost = \$14,592. An additional \$2,000 per laboratory is required the first year of reporting to program the system to export data (\$2,000 x 57 laboratories = \$114,000). Therefore, first year costs are \$14,592 + \$114,000 = \$128,592.

**Total Pathology Laboratories Estimated Annual Cost of Compliance = \$132,292**

#### **Physician Offices Estimated Cost of Compliance**

There are 14,700 licensed physicians in Missouri. Of those 2,376 physicians practice in specialties most likely to diagnose primary cases of cancer. It is estimated that dermatologists and urologists will be the physician specialties

most likely to report cancer cases as individuals with melanomas, basal cell carcinomas and prostate cancer are often treated in the physician's office. The following estimates regarding physician reporting were used:

- 10% will report 20 cases of cancer per year using the manual reporting method.
- 30% will report 10 cases of cancer per year using the manual reporting method.
- 50% will report 2 cases of cancer per year using the manual reporting method.
- 10% will not report any cases of cancer.

Based upon these reporting estimates, the annual costs are calculated as follows:

For those reporting 20 cases per year:

- $238 \text{ physicians} \times \$11.35/\text{case} \times 20 \text{ cases} = \$54,026.$

For those reporting 10 cases per year:

- $713 \text{ physicians} \times \$11.35/\text{case} \times 10 \text{ cases} = \$80,926$

For those reporting 2 cases per year:

- $1,188 \text{ physicians} \times \$11.35/\text{case} \times 2 \text{ cases} = \$26,968$

**Total Physician Office Estimated Annual Cost of Compliance = \$161,920**

#### **Ambulatory Surgical Centers Estimated Cost of Compliance**

There are 44 ambulatory surgical centers in Missouri. It is expected that 30% will report primary cases of cancer using the manual reporting method.

Estimated annual costs of reporting are:

- Manual reporting:  $13 \text{ surgical centers} \times \$11.35 \text{ per reported case} \times 25 \text{ average number of cases reported annually} = \$3,688.75 \text{ rounded to } \$3,689.$

**Total Ambulatory Surgical Centers Estimated Annual Cost of Compliance = \$3,689**

#### **Residential Care Facilities I or II, Intermediate Care Facility or Skilled Nursing Facility Estimated Cost of Compliance**

There are 317 residential care facilities I, 367 residential care facilities II, 77 intermediate care facilities and 540 skilled nursing facilities for a total of 1,265

facilities in Missouri. Estimated annual costs of reporting using medical record documentation are:

- Medical record documentation reporting of 100 total cases of cancer annually are \$6.00 per reported case x 100 cases = \$600.

**Total Residential Care Facilities I or II, Intermediate Care Facilities and Skilled Nursing Facilities Estimated Annual Cost of Compliance = \$600**

#### **Free-Standing Cancer Clinic and Treatment Center Estimated Cost of Compliance**

Free standing cancer clinics and treatment centers are defined as radiation therapy centers and chemotherapy treatment centers. There are an estimated 85 of these centers in Missouri. All of these entities will electronically. Estimated costs for reporting:

- Electronic reporting: 85 cancer clinics and treatment centers x \$256 annual reporting cost = \$21,760. An additional \$2,000 per cancer clinic and treatment center is required the first year of reporting to program the system to export data (\$2,000 x 85 laboratories = \$170,000). Therefore, first year costs are \$21,760+ \$170,000 = \$191,760.

**Total Free-Standing Cancer Clinic and Treatment Center Estimated Annual Cost of Compliance = \$191,760**

#### **IV. ASSUMPTIONS**

##### **Hospitals Estimated Cost of Compliance Assumptions**

Hospitals are required to report. Three means of reporting will be used based upon size of the facility and number of primary cases of cancer it is expected they will report. These three means of reporting are:

1. Electronic reporting – This includes using the North American Association of Central Cancer Registries (NAACCR) layout completed based upon information provided by the physician.
2. Manual reporting – This involves completing the paper report format “Cancer Registry Initial Abstract.” This will generally be completed by hospitals having more than 75 cases of cancer annually who do not electronically report.

3. Medical record documentation reporting – This involves submitting copies of the medical record documentation sufficient for abstraction of required cancer incidence data. This will generally be completed by hospitals having less than 75 cases of cancer annually that do not electronically report.

Assumptions regarding costs for electronic reporting:

1. Estimated costs are based upon data submitted to the Missouri Cancer Registry from hospitals that report in this manner as their in-kind contribution to comply with reporting requirements.
2. An average cost has been calculated for reporting based upon data from 14 hospitals that report electronically. This is calculated at an average of \$9.95 per report. This is based upon the amount of in-kind contribution in order to comply with reporting requirements as stated in a letter to the Missouri Cancer Registry from the reporting hospital divided by the total number of cancer cases reported by that hospital. An average of all hospitals was then calculated.

Assumptions regarding costs for manual reporting:

1. Estimated costs are based upon an average hourly salary for medical records personnel of \$11/hour.
2. Estimated time to complete the case including casefinding, abstraction and submission is 1 hour.
3. Estimated postage per case is \$.33.
4. Estimated per case cost is \$11.33 rounded to \$11.35 per case.

Assumptions regarding costs for medical record documentation reporting:

1. Estimated costs are based upon an average hourly salary for medical records personnel of \$11/hour.
2. Estimated time to complete the case including casefinding, identifying portions of medical record to be copied, copying and submitting is .5 hour.
3. Estimated cost for copying including the paper is \$.15 plus \$.33 for postage.
4. Estimated per case cost is \$5.98 rounded to \$6 per case.

Costs for reporting will be adjusted 5% annually for inflation.

### Pathology Laboratories Estimated Cost of Compliance

Beginning with this legislation, pathology laboratories are required to report. Of the 121 pathology laboratories licensed in Missouri, 64 are considered small or very small laboratories and 57 are considered moderate, large or very large laboratories based upon number of tests run annually.

Contacts were made with other states who require pathology laboratories to report in order to develop an estimate of how many cases are expected to be reported. Small and very small laboratories will report cases quarterly using laboratory record documentation. Laboratory record documentation involves submitting copies of the laboratory report sufficient for abstraction of required cancer incidence data. Assumptions regarding costs for laboratory record documentation reporting include:

1. Estimated costs are based upon an average hourly salary for laboratory clerical personnel of \$6.00/hour.
2. Estimated time to complete the case include copying and submitting is 15 minutes.
3. Estimated cost for copying including the paper is \$.15. Postage cost is \$1.00 per quarter.
4. Estimated per case cost is \$1.65 per case ( $\$6.00/\text{hour} \times .25 \text{ hr} + \$.15 \text{ paper}$ ).

Moderate, large and very laboratories will report cases monthly using electronic reporting. Electronic reporting is common in these laboratories. Therefore, the assumption has been made that they will electronically report cancer cases. Electronic reporting involves the initial setting-up a program to export laboratory reports by disk to the Missouri Cancer Registry. Assumptions regarding costs for electronic reporting:

1. Estimated initial set-up programming for electronic reporting are based upon an average of \$20/hour salary for a computer programmer.
2. Estimated time required for programming to generate the export file are based upon an average of 100 hours for a total of \$2,000 per laboratory for initial program set-up.
3. Estimated monthly cost to run the export files are based upon 1 hour programmer time (\$20), cost of a computer disk (\$.80) and postage to send the computer disk to the Missouri Cancer Registry monthly (\$.55) for a total monthly cost of  $\$21.35 \times 12 \text{ months} = \$256.20$  rounded to \$256 annually.

4. First year costs include \$2,000 set-up and annual reporting cost of \$256. Annually thereafter costs are for annual reporting only.

Costs for reporting will be adjusted 5% annually for inflation.

#### **Physician Offices Estimated Cost of Compliance**

Beginning with this legislation, physicians are required to report. Using physician specialty codes provided by the Missouri Department of Health, Health Resources Statistics Bureau, the most common physician specialties for cancer reporting were identified. From this list of 2,836 physicians, physicians who practice in hospitals (358) and clinics associated with hospitals (88) were subtracted as it was assumed that the hospital will report on behalf of the physician. Those physicians who are in medical research (6) and work in professional associations (8) were subtracted as it was assumed that they are not in clinical practice. Physicians who practice in military health facilities (7) and other federal facilities (36) were assumed not to be required to report based upon non-applicability of Missouri law to their facilities. This left a total of 2,376 physicians to whom this reporting legislation would apply.

Costs for manual reporting are calculated the same as those for hospitals (see that section for complete explanation).

Costs for reporting will be adjusted 5% annually for inflation.

#### **Ambulatory Surgical Centers Estimated Cost of Compliance**

Beginning with this legislation, ambulatory surgical centers are required to report. Contacts were made with 13 of the 44 ambulatory surgical centers that will be required to report in order to develop an estimate of how many centers and cases are expected to be reported. Of the 13 centers contacted, only 30% diagnose cancer cases, the other centers either do not diagnose cancer cases or send biopsies to pathology laboratories (who are also required to report cancer cases). Therefore it was assumed that only 30% of the ambulatory surgical centers will report primary cases of cancer.

Based on these inquiries, 25 of primary cases of cancer are expected to be reported by 13 centers using the manual method of reporting previously described.

Costs for reporting will be adjusted 5% annually for inflation.



**Residential Care Facilities I or II, Intermediate Care Facility or Skilled Nursing Facility Estimated Cost of Compliance**

Beginning with this legislation, residential care facilities I and II, intermediate care facilities and skilled nursing facilities are required to report. Since most cancer cases are diagnosed outside of these care facilities it is assumed that only a total of 100 cases would be reported by these types of facilities. The medical record documentation reporting method will be the reporting method used. This method involves submitting copies of the medical record documentation sufficient for abstraction of required cancer incidence data. The same set of assumption for calculating the per case cost of reporting was used as noted above for hospitals.

Costs for reporting will be adjusted 5% annually for inflation.

**Free-Standing Cancer Clinic and Treatment Center  
Estimated Cost of Compliance**

Beginning with this legislation, free-standing cancer clinics and treatment centers are required to report. In Missouri, these entities are referred to as radiation therapy centers and chemotherapy centers. There are an estimated 85 of these entities in Missouri. The purpose of these centers is to treat cancer cases. Therefore, it is assumed that they will report many primary cases of cancer using electronic means as that described for pathology laboratories.

Electronic reporting is common in these clinics and centers. Therefore, the assumption has been made that they will electronically report cancer cases. Electronic reporting involves the initial setting-up a program to export clinic/center reports by disk to the Missouri Cancer Registry. Assumptions regarding costs for electronic reporting:

1. Estimated initial set-up programming for electronic reporting are based upon an average of \$20/hour salary for a computer programmer.
2. Estimated time required for programming to generate the export file are based upon an average of 100 hours for a total of \$2,000 per clinic/center for initial program set-up.
3. Estimated monthly cost to run the export files are based upon 1 hour programmer time (\$20), cost of a computer disk (\$.80) and postage to send the computer disk to the Missouri Cancer Registry monthly (\$.55) for a total monthly cost of \$21.35 x 12 months = \$256.20 rounded to \$256 annually.
4. First year costs include \$2,000 set-up and annual reporting cost of \$256. Annually thereafter costs are for annual reporting only.

Costs for reporting will be adjusted 5% annually for inflation.