

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4671-01
Bill No.: HB 2096
Subject: Education, Higher; Health Care; Insurance - Health
Type: Original
Date: February 9, 2016

Bill Summary: This proposal specifies that public colleges and universities shall not require their students to pay fees related to health care if they show proof of health insurance coverage.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| College & University | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | (Unknown) | (Unknown) | (Unknown) |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes this proposal would allow a student with existing health insurance coverage to be excused from joining a public college or universities' health care and health insurance plan. Oversight notes this proposal allows the institutions to offer a health insurance plan to students who are not covered under another plan. Additionally, this proposal would prohibit the payment of fees, costs, or related expenses imposed by the institutions for health care.

Oversight notes that the Affordable Care Act required all Americans beginning in 2014 to have health insurance. Oversight found that the University of Missouri, University of Central Missouri and Missouri State University all require international students to provide proof of insurance or take the institution's health insurance plan. The institutions only require international students to take the health insurance plan as they are not covered by the Affordable Care Act. These institutions have no requirements for domestic students.

Officials at the **Northwest Missouri State University** assume students who have health insurance do not pay the co-pay or receive additional billing (out of pocket maximum) for services. Removing the fee could result in increasing the cost of students who have insurance and utilize services. The fee also covers costs that aren't always included in health insurance. Counseling, alcohol screening and health education are examples. We also program around resiliency and wellness through funds generated from the fee. The concern would be that health insurance does not cover all related costs and could result in a loss of \$600,000 per year.

Officials at the **University of Central Missouri** assume there is no fiscal impact from this proposal as they are already in compliance.

Officials at the **State Technical College of Missouri** assume there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight assumes that if a student can show existing health insurance they would be excused from the purchase of the institution’s health insurance plan. Oversight assumes this portion of the proposal would not have a fiscal impact.

Oversight will show an unknown impact to the institutions from the portion of the proposal that would excuse a student from paying any fees, costs, or related expenses imposed by the institutions for health care. Oversight notes that many of the institutions run health care clinics. If this proposal would prohibit the collection of costs (such as co-pays, deductibles or fees) then the institutions could be fiscally impacted.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|---------------------|---------|---------|

COLLEGE & UNIVERSITY FUNDS

| | | | |
|--|------------------|------------------|------------------|
| <u>Loss - fees and costs for health care</u> | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|--|------------------|------------------|------------------|

| | | | |
|---|-------------------------|-------------------------|-------------------------|
| ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|---|-------------------------|-------------------------|-------------------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|---------------------|---------|---------|

| | | | |
|--|-------------------|-------------------|-------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|-------------------|-------------------|-------------------|

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill specifies that any student who shows proof of existing health insurance coverage to a public college or university at any time during the student’s enrollment is excused from the payment of any fees, costs, or related expenses imposed for the provision of health care or health insurance.

These provisions do not preclude public colleges and universities from offering health insurance coverage to students who do not have coverage and charging fees for such coverage or from

FISCAL DESCRIPTION (continued)

providing student health services and charging fees for those services to undergraduate students who do not have health insurance coverage.

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

SOURCES OF INFORMATION

Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri



Mickey Wilson, CPA
Director
February 9, 2016

Ross Strobe
Assistant Director
February 9, 2016