

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3810-02
Bill No.: Perfected HCS for HB 1425
Subject: Consumer Protection; Health Care; Health Care Professionals; Medical Procedures and Personnel
Type: Original
Date: February 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services**, the **Missouri Consolidated Health Care Plan**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Department of Transportation**, the **Missouri Department of Conservation**, the **Department of Health and Senior Services** and the **Department of Economic Development - Division of Professional Registration** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Insurance (INS)** state that it would be necessary for INS to add compliance checks to its market conduct examinations of insurance companies to ensure they are in compliance. INS states this would require some modifications to procedures/tests for exams and some training. INS states impact would be minimal and covered with existing staff.

Officials from the **Department of Mental Health (DMH)** compared the requirements of this proposal with those of HIPAA Administrative Simplification (federal regulation) and examined current approach to compliance with the federal requirements.

DMH states this legislation simply reinforces the work currently being done to protect health care information under HIPAA. DMH should have most policies and procedures in place to comply with the federal requirements; accordingly, DMH good-faith compliance efforts should satisfy the proposal, therefore DMH assumes no significant fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could affect small businesses that maintain personal health information.

DESCRIPTION

This proposal prohibits the selling of personal health information to a third party and prohibits any disclosure of this information to a third party for the purpose of (1) marketing a product or service; (2) employment decisions; or (3) credit worthiness. The proposal does not apply in cases where the person cannot be identified from the information, the person provides written authorization, or when disclosure of this information is necessary to comply with any other state or federal law. The proposal exempts consumer reporting agencies and debt collectors and exempts businesses that are providing this information as part of the sale or merger of a business.

Insurance entities are deemed to be in compliance with the proposal upon either (1) demonstrating a good faith effort to comply with federal privacy rules; or (2) complying with model legislation adopted by the National Association of Insurance Commissioners. The Department of Insurance will enforce the proposal regarding insurance entities, who may be sued for unfair trade practices. Any other person in violation may be fined up to \$500 for each violation and may be civilly liable for damages or equitable relief.

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

Missouri Department of Conservation
Missouri Consolidated Health Care Plan
Department of Transportation
Department of Economic Development -
Division of Professional Registration
Department of Health and Senior Services
Department of Social Services
Department of Insurance
Department of Mental Health
Department of Public Safety -
Missouri State Highway Patrol



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Acting Director
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