

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0803-01
Bill No.: HB 129
Subject: Boards, Commissions, Committees, Councils; Health Care; Health Care Professionals; Hospitals; Insurance - Medical; Insurance Dept.
Type: Original
Date: January 27, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Insurance Dedicated	(\$141,329 to \$341,329)	(\$155,444 to \$355,444)	(\$158,055 to \$358,055)
Total Estimated Net Effect on Other State Funds	(\$141,329 to \$341,329)	(\$155,444 to \$355,444)	(\$158,055 to \$358,055)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor, Department of Economic Development - Division of Professional Registration, Office of Administration - Division of Accounting, Department of Mental Health, Missouri Consolidated Health Care Plan** and **Missouri Department of Conservation** assume the proposal will not fiscally impact their organizations.

Officials from the **Missouri House of Representatives (MHR)** assume any cost incurred by a House member would be the responsibility of the Department of Insurance. Therefore, it is assumed the proposal would have no fiscal impact on the **MHR**.

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal would not be expected to significantly impact the operations of the DOH. If the proposal were to substantially impact the DOH programs, then the DOH would request funding through the legislative process.

The proposal requires DOH to provide (unspecified) support as the mandated health benefit review commission requires in the performance of its duties. This may include data, research or operational funds. Cost for operating the commission would not impact small businesses, however, mandated health benefits could effect changes in the cost of health care coverage.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposal creates the Mandated Health Benefit Review Commission within the Department of Insurance. The purpose of the commission is to review all existing state mandated health benefits and the projected costs of such mandates and issue a report to the general assembly to recommend which mandated health benefits should be repealed from state law. Until such time that a recommendation is proposed as legislation, the costs or savings are can not be determined. Therefore, there is no fiscal impact to the DMS.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** defer to the Department of Transportation for response regarding the fiscal impact of this proposal on the MHP.

Officials from the **Department of Transportation** state since this proposal does not mandate health benefit coverage, there will be no fiscal impact to the Missouri Highway Transportation Commission or the Highway & Patrol Medical Plan.

Officials from the **Department of Insurance (INS)** state the INS would require one Health Care Economist (Research Analyst IV) to review and analyze data, work with experts, provide support to commission and prepare required benefit reports. One Research Analyst I-II is required to prepare and conduct surveys, collect data, run statistical reports and assist in preparing reports and analysis required under the proposal. INS assumes that the commission will contract with experts in the areas of health research, biostatistics, and actuarial science in conducting the benefit reviews. Contractual costs are estimated from \$50,000 - \$250,000 per year depending on the number and type of benefits reviewed. Meeting costs for the commission are calculated at \$100 per day for non-governmental members (6 total), 4 meetings per year.

Oversight assumes the INS would hire one Health Care Economist (Research Analyst IV) and one Research Analyst I. **Oversight** is ranging the contractual costs between \$50,000 and \$250,000 per year.

Officials from the **Missouri Senate** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
INSURANCE DEDICATED FUND			
<u>Costs - Department of Insurance</u>			
Personal service costs (2 FTE)	(\$55,525)	(\$68,295)	(\$70,002)
Fringe benefits	(\$20,471)	(\$27,639)	(\$28,330)
	<u>(\$65,333 to</u>	<u>(\$59,510 to</u>	<u>(\$59,723 to</u>
Equipment and expense	\$265,333)	\$259,510)	\$259,723)
Total <u>Costs</u> - Department of Insurance	<u>(\$141,329 to</u>	<u>(\$155,444 to</u>	<u>(\$158,055 to</u>
	<u>\$341,329)</u>	<u>\$355,444)</u>	<u>\$358,055)</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$141,329 to</u> <u>\$341,329)</u>	<u>(\$155,444 to</u> <u>\$355,444)</u>	<u>(\$158,055 to</u> <u>\$358,055)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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.

DESCRIPTION

This proposal creates the Mandated Health Benefit Review Commission. The commission will review all health insurance coverage mandates currently required by law and any such mandates offered by legislators in the future. The commission must file a report with the General Assembly by January 2005 detailing any proposed changes to those mandates currently in law. The General Assembly may implement the commission's recommendations by resolution.

The proposal requires that any proposal containing a health insurance coverage mandate must be evaluated by the commission before the law can be enacted. The proposal also sets forth an extensive list of issues that the commission must address when it reviews any proposed mandate.

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

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Office of Administration -
 Division of Accounting
Department of Economic Development -
 Division of Professional Registration
Department of Transportation
Department of Health and Senior Services
Department of Social Services
Department of Public Safety -
 Missouri Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation
Missouri House of Representatives

NOT RESPONDING: Missouri Senate



Mickey Wilson, CPA
Director
January 27, 2003