

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0826-01
Bill No.: HB 350
Subject: Drugs and Controlled Substances; Health Care; Insurance - Medical; Insurance
Dept.
Type: Original
Date: March 7, 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
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 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 **Missouri Consolidated Health Care Plan, Department of Insurance and Department of Transportation** assume the proposal will not fiscally impact their organizations.

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 **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the DMS assumes that any changes made to Section 376, RSMo, applies to Medicaid. If this is not the intent of the legislation, a specific exclusion needs to be considered for the legislation.

The proposal requires all group health insurance policies providing coverage on an expense-incurred basis, contracts issued by a not-for-profit health services corporation, self-insured group health benefit plans, and plans or policies individually underwritten or providing for coverage for individuals as non-group policies which provide hospital treatment, while confined in a hospital or residential or ASSUMPTION (continued)

nonresidential Department of Mental Health certified facility, to provide coverage for chemical dependency treatment. Treatment for chemical dependency is a Medicaid covered service under both the fee-for-service and managed care programs. Therefore, there is no fiscal impact to the DMS.

Officials from the **Department of Mental Health (DMH)** state to the extent that DMH consumers have insurance coverage, there could be minimal savings to the DMH. However, it is likely that any savings would be offset by increased service utilization of individuals who are currently underserved. At this time, the DMH is unsure of the number of consumers that would be affected by this proposal, the type of coverage involved and/or the amount of insurance coverage. Based on the current understanding that any savings would be offset by additional service utilization costs, the resulting fiscal impact to the DMH would be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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

Small businesses would be expected to be fiscally impacted to the extent that they may incur additional health insurance costs due to the requirements of this proposal.

DESCRIPTION

Currently, individual and group health insurance policies issued or renewed in Missouri are required to provide coverage for inpatient and outpatient treatment of alcoholism.

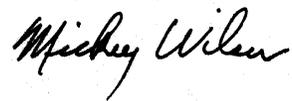
This proposal changes the requirement to coverage for chemical dependency, which is defined as psychological or physiological dependence upon and abuse of drugs, including alcohol. The proposal applies to all group health insurance policies issued or renewed after December 31, 2003.

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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Department of Transportation
Department of Mental Health
Department of Social Services -
 Division of Medical Services
Department of Public Safety -
 Missouri Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation



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