

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0144-01  
Bill No.: HB 52  
Subject: Disabilities; Health Care; Insurance - Medical; Insurance Dept.  
Type: Original  
Date: January 29, 2009

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Bill Summary: Requires health insurance coverage to continue for any child or dependent of an enrollee with Down Syndrome after the age of eighteen.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Insurance Dedicated	\$5,600	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$5,600</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds since its insurance plan provides coverage for qualifying dependents beyond the age of eighteen who are permanently disabled.

Officials from the **Department of Public Safety (DPS) - Directors' Office** state they are unable to determine the fiscal impact of the proposal and defer to the Missouri Consolidated Health Care Plan for response regarding the potential fiscal impact.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state HCP extends medical coverage for dependents over the age of 25 who are "permanently disabled" provided that a parent or legal guardian is covered by an HCP medical plan. Therefore, this proposal does not fiscally impact the HCP.

Officials from the **Missouri Department of Transportation (DOT)** state they anticipate no fiscal impact as a result of the legislation because dependents with Down Syndrome would fall under Section 1.16(c), which provides that unemancipated dependents of a subscriber enrolled in the Plan continue to meet the eligibility requirements stated above, regardless of age, who are mentally retarded and/or physically disabled, and incapable of self support, during the continuance of such disability and incapacity.

Officials from the **Department of Social Services (DOS) - Mo HealthNet Division (MHD)** assume this legislation does not impact eligibility. This proposal revises private insurance and health plan requirements but does not change Medicaid eligibility. Therefore, there will be no fiscal impact to the MHD.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate approximately 112 insurers would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$5,600.

ASSUMPTION (continued)

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the DIFP will need to request additional staff to handle the increase in workload.

**This proposal will result in an increase in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP</u>			
Form filing fees	<u>\$5,600</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>\$5,600</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business that provide employees with health insurance coverage if their plans do not currently cover dependents with Down Syndrome and the insurer raises their premium rates.

FISCAL DESCRIPTION

Beginning January 1, 2010, this proposal requires all health insurance carriers to continue to provide coverage to their dependent members with Down Syndrome after they reach 18 years of age. Insurers may not charge additional deductibles or co-insurance than other similar health care services provided by the health plan.

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 Insurance, Financial Institutions and Professional Registration  
Department of Social Services  
Missouri Department of Transportation  
Department of Public Safety -  
    Director's Office  
        Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation



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