

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4048-01  
Bill No.: HB 1373  
Subject: Entertainment, Sports and Amusements; Insurance - Medical; Insurance Dept.;  
 Licenses - Professional  
Type: Original  
Date: April 14, 2010

Bill Summary: Requires a health insurance carrier to reimburse a licensed athletic trainer for services covered by a health benefit plan in the same manner as any other provider is reimbursed.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Unknown less than \$50,000)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$50,000)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Insurance Dedicated	Up to \$5,000	\$0	\$0
Road	(Unknown exceeding \$50,000)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown exceeding \$45,000)</b>	<b>(Unknown exceeding \$100,000)</b>	<b>(Unknown exceeding \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal	0*	0*	0*
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expenditures unknown but net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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.

Officials from the **Department of Public Safety (DPS) - Director's Office** defer to the Missouri Consolidated Health Care Plan for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **DPS - Missouri State Highway Patrol** 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 their health plans do not currently contract with athletic trainers for service. However, if the plans did decide to contract with athletic trainers, co-payments, deductibles and limitations would apply similarly to like-services the HCP already provides its members.

Therefore, this proposal does not fiscally impact the HCP.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state 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. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,000

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.

Officials from the **Missouri Department of Transportation (DOT)** state the proposed legislation provides that health plans cover any health care service for any medical condition that is within the scope of practice of athletic trainers. The athletic trainers shall not be denied reimbursement by a health carrier or health benefit plan for covered services. These services will be subject to deductibles, co-payments, etc.

ASSUMPTION (continued)

While the DOT/Missouri State Highway Patrol (MHP) Medical Plan would not fall under the definition of “health carrier”, the Plan would arguably still be required to comply with the proposal’s requirements. If required to comply, the proposal could have a fiscal impact on the DOT/MHP Medical Plan. This proposal mandates the coverage of specific services provided by athletic trainers, and thus, the Plan will be required to offer such coverage as well.

According to the DOT Chief Counsel’s Office, it should be noted that under 334.721, athletic trainers are not “doctors” and cannot practice medicine without a medical license. This could mean that health carriers/benefit plans would have to cover services provided by non-medical personnel that could be provided by a covered doctor that the patient could be referred to or already sees. It is unclear, however, how often this service will be utilized, if at all, and thus, what the impact to the DOT/MHP would be.

There will not be a fiscal impact to the MHTC. However, there would be a financial impact to the Plan. The impact cannot be determined, but it would be greater than \$100,000.

Officials from the **Department of Social Services (DOS) - MO HealthNet Division (MHD)** state this legislation does not revise Chapter 208, RSMo, therefore, it does not affect MO HealthNet eligibility or benefits.

This legislation does revise Chapter 376, RSMo. The MHD assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants.

The MHD recognizes there may be additional costs of doing business for HMOs if this legislation passes and that those costs may be passed on to the MHD. The MHD may incur additional costs for an actuarial analysis to determine if capitated rates should be adjusted for the additional costs incurred by the HMO.

If an actuarial analysis is needed it will occur in the first year and is a one-time cost. The cost of the analysis will depend on the number of program changes that will need to be analyzed as well as the complexity of those changes. This cost is unknown but may be as high as \$100,000. Since this is an administrative cost there will be a 50% federal match rate.

If the HMOs are required to provide additional benefits and the MHD's current rates don't support those costs, the actuary may require an increase in capitated rates to ensure actuarial soundness.

ASSUMPTION (continued)

If this occurs the cost to the MHD is unknown. These additional costs would occur in the second and third years.

FY11: Total cost is unknown < \$100,000 (GR unknown < \$50,000)

FY12: Total cost is unknown

FY13: Total cost is unknown

**Oversight** assumes the proposal would become effective January 1, 2011.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (6 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DOS-MHD</u>			
Increase in program costs	<u>(Unknown less than \$50,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown less than \$50,000)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP</u>			
Form filing fees	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>Up to \$5,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>ROAD FUND</b>			
<u>Costs - DOT</u>			
Increase in share of health insurance costs	<u>(Unknown greater than \$50,000)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<b><u>(Unknown greater than \$50,000)</u></b>	<b><u>(Unknown greater than \$100,000)</u></b>	<b><u>(Unknown greater than \$100,000)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (6 Mo.)	FY 2012	FY 2013
<b>FEDERAL FUNDS</b>			
<u>Income - DOS-MHD</u>			
Increase in program reimbursements	Unknown less than \$50,000	Unknown	Unknown
<u>Costs - DOS-MHD</u>			
Increase in program expenditures	<u>(Unknown less than \$50,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (6 Mo.)	FY 2012	FY 2013
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

The proposal could impact small businesses that provide health insurance coverage to employees if insurance premium were increased do to the added coverage.

FISCAL DESCRIPTION

This proposal specifies that any health benefit plan which provides coverage for health services for any particular medical condition that is within the scope of practice of athletic trainers may not deny reimbursement to a licensed athletic trainer for those covered services if the plan would reimburse another health care provider for the services.

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

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



Mickey Wilson, CPA  
Director  
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