

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0752-01
Bill No.: SB 90
Subject: Insurance - General; State Employees
Type: Original
Date: February 11, 2011

Bill Summary: Requires state health care plan to provide Medicare eligible participants substantially similar medical benefits, rather than identical benefits, that are provided to those not eligible for Medicare benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$466,875 to \$933,750	\$933,750 to \$1,867,500	\$933,750 to \$1,867,500
Total Estimated Net Effect on General Revenue Fund	\$466,875 to \$933,750	\$933,750 to \$1,867,500	\$933,750 to \$1,867,500

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Other	\$100,725 to \$201,450	\$201,450 to \$402,900	\$201,450 to \$402,900
Total Estimated Net Effect on <u>Other</u> State Funds	\$100,725 to \$201,450	\$201,450 to \$402,900	\$201,450 to \$402,900

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal	\$182,400 to \$364,800	\$364,800 to \$729,600	\$364,800 to \$729,600
Total Estimated Net Effect on <u>All</u> Federal Funds	\$182,400 to \$364,800	\$364,800 to \$729,600	\$364,800 to \$729,600

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Missouri Department of Transportation and Missouri Department of Conservation** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Public Safety - 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)** project this legislation will save \$750,000 to \$1.5 million for FY 12 and an additional \$1.5 million to \$3.0 million for each FY 13 and FY 14.

Oversight assumes changes in the design of retiree health insurance plans would not be effective until January 1, 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Savings - HCP</u>			
Reduction in Medicare-eligible participant benefits	\$466,875 to <u>\$933,750</u>	\$933,750 to <u>\$1,867,500</u>	\$933,750 to <u>\$1,867,500</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$466,875 to</u> <u>\$933,750</u>	<u>\$933,750 to</u> <u>\$1,867,500</u>	<u>\$933,750 to</u> <u>\$1,867,500</u>
OTHER STATE FUNDS			
<u>Savings - HCP</u>			
Reduction in Medicare-eligible participant benefits	\$100,725 to <u>\$201,450</u>	\$201,450 to <u>\$402,900</u>	\$201,450 to <u>\$402,900</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$100,725 to</u> <u>\$201,450</u>	<u>\$201,450 to</u> <u>\$402,900</u>	<u>\$201,450 to</u> <u>\$402,900</u>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
FEDERAL FUNDS			
<u>Savings - HCP</u>			
Reduction in Medicare-eligible participant benefits	<u>\$182,400 to</u> <u>\$364,800</u>	<u>\$364,800 to</u> <u>\$729,600</u>	<u>\$364,800 to</u> <u>\$729,600</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$182,400 to</u> <u>\$364,800</u>	<u>\$364,800 to</u> <u>\$729,600</u>	<u>\$364,800 to</u> <u>\$729,600</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
	<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.

FISCAL DESCRIPTION

Under this proposal, Missouri Consolidated Health Care Plan participants who are eligible for Medicare benefits and who are not eligible for their state employee health care coverage to be their primary plan of coverage shall be provided substantially similar benefits provided to participants who are not eligible for Medicare benefits. Under current law, a participant in the state employee health care plan who is eligible for Medicare, and whose state employee coverage is not primary, must be provided the same benefits provided to participants who are not eligible for Medicare benefits.

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
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation



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