

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0033-01
Bill No.: HB 29
Subject: Licenses - Professional; Insurance - Medical
Type: Original
Date: February 25, 2013

Bill Summary: This proposal requires health carriers to reimburse a physical therapist in the same amounts as paid to a licensed physical therapist for rendering the same services regardless of the setting or venue.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Unknown greater than \$30,500)	(Unknown greater than \$61,000)	(Unknown greater than \$61,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown greater than \$30,500)	(Unknown greater than \$61,000)	(Unknown greater than \$61,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Other State Funds	(Unknown greater than \$7,500)	(Unknown greater than \$15,000)	(Unknown greater than \$15,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown greater than \$7,500)	(Unknown greater than \$15,000)	(Unknown greater than \$15,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Federal Funds	(Unknown greater than \$12,000)	(Unknown greater than \$24,000)	(Unknown greater than \$24,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown greater than \$12,000)	(Unknown greater than \$24,000)	(Unknown greater than \$24,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation, Department of Social Services, Department of Public Safety - Director's Office** and **Department of Transportation** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** believe that the department can handle the provisions of this proposal under existing appropriations. However, should the number of complaints received be larger than anticipated, the department may have to request additional FTE and expenses through the budget process.

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 (MCHCP)** assume this legislation requires health carriers to reimburse a physical therapist for rendering the same services regardless of the setting or venue. MCHCP assumes this proposal can be interpreted to either (1) require health carriers to provide the same reimbursement to all licensed network physical therapists and the same reimbursement to all out-of-network physical therapists or (2) require health carriers to provide the same reimbursement to all licensed physical therapists regardless of whether the physical therapist is in network or out-of-network. Under both interpretations, MCHCP assumes a decrease in the level of discounts provided by network vendors due to their inability to negotiate contracts with varying reimbursement rates. Based on these assumptions, the fiscal impact of this proposal is unknown but greater than \$100,000.

Oversight assumes that the cost to MCHCP is divided amongst three funds. General Revenue incurs 61%, while other state funds incur 15%, and lastly 24% then going to Federal Funds.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (6 Mo.)	FY 2014	FY 2015
GENERAL REVENUE FUND			
<u>Costs - MCHCP</u>			
Increase in state health plan expenditures	(Unknown greater than <u>\$30,500</u>)	(Unknown greater than <u>\$61,000</u>)	(Unknown greater than <u>\$61,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown greater than \$30,500)</u>	<u>(Unknown greater than \$61,000)</u>	<u>(Unknown greater than \$61,000)</u>
OTHER STATE FUNDS			
<u>Costs - MCHCP</u>			
Increase in state health plan expenditures	(Unknown greater than <u>\$7,500</u>)	(Unknown greater than <u>\$15,000</u>)	(Unknown greater than <u>\$15,000</u>)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>(Unknown greater than \$7,500)</u>	<u>(Unknown greater than \$15,000)</u>	<u>(Unknown greater than \$15,000)</u>
FEDERAL FUNDS			
	FY 2013 (6 Mo.)	FY 2014	FY 2015
<u>Costs - MCHCP</u>			
Increase in state health plan expenditures	(Unknown greater than <u>\$12,000</u>)	(Unknown greater than <u>\$24,000</u>)	(Unknown greater than <u>\$24,000</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown greater than \$12,000)</u>	<u>(Unknown greater than \$24,000)</u>	<u>(Unknown greater than \$24,000)</u>

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2013</u> <u>(10 Mo.)</u>	FY 2014	FY 2015
	<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

This proposal requires reimbursement amounts and copays paid by health carriers for any particular health care service or procedure rendered by a physical therapist to be in the same amounts as reimbursements paid by health carriers to any other licensed physical therapist performing the same or similar procedures. The uniform reimbursement requirement must apply regardless of the setting or venue in which the applicable health care services or procedures are rendered.

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 Public Safety
 Department of Public Safety
 Missouri Highway Patrol
Missouri Department of Conservation
Department of Transportation
Missouri Consolidated Health Care Plan
Department of Social Services



Ross Strope
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