

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0230-01  
Bill No.: HB 132  
Subject: Insurance - Medical; Insurance Department  
Type: Original  
Date: March 11, 2013

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Bill Summary: This proposal changes the laws regarding health insurance coverage and contracts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$90,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$90,000)</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Oversight Division** assume three actuarial studies are being mandated by the legislation: 1) an analysis of the impact to health carriers, 2) an analysis of the impact to insureds with a health benefit plan, and 3) an analysis of the impact to other private and public payers. Each actuarial analysis is limited to a cost of \$30,000. Therefore, Oversight assumes the fiscal impact of this proposal will be a cost of \$90,000 to General Revenue for FY 14.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state under Section 103.101, the estimated cost for MCHCP to conduct and produce a comprehensive actuarial analysis examining the feasibility of including the Missouri Department of Transportation health plan with the MCHCP plan is approximately \$95,000. The MCHCP assumes that subsection 5 of the proposal limiting the amount of the actuarial analysis to \$30,000 under section 376.1192 does not apply to Section 103.101.

Section 376.1192 does not fiscally impact the MCHCP.

Officials from the **Missouri Department of Transportation (MoDOT)** provide the following assumptions:

#### § 103.101 - Actuarial study consolidating MoDOT's health plan with MCHCP's health plan:

The proposed legislation requires an actuarial analysis of the health plan sponsored by MoDOT joining the MCHCP Plan. Currently, a joint actuarial study is being performed of our Plan membership joining the MCHCP Plan. The study is not finalized.

#### § 376.1192 - Actuarial analysis of cost to cover diagnosis and treatment of eating disorders:

The proposed legislation requires an actuarial analysis of the cost to health carrier to provide coverage for the diagnosis and treatment of eating disorders. Eating disorders are classified as anorexia nervosa, bulimia, binge eating, eating disorders and any other severe eating disorders. The coverage would not be subject to any greater deductible/co-pay than other health care services. The coverage would provide access to psychiatric and medical treatment under the plan and shall provide coverage for integrated care and treatments as prescribed by medical and psychiatric health care professionals, including but not limited to nutrition counseling, physical therapy, dietician services, medical monitoring, and psychiatric monitoring.

ASSUMPTION (continued)

According to the MoDOT Chief Counsel's office, the "health carrier and "health benefit plan" definitions do not apply to the MoDOT/MHP (Missouri State Highway Patrol) Medical Plan, but the Plan would arguably still be required to comply with the proposal's requirements. This proposed legislation mandates coverage of specific services (coverage for the diagnosis and treatment of eating disorders) and thus, the Plan would be required to offer such coverage as well.

According to Coventry, MoDOT's current claims administrator, the MoDOT/MHP Medical Plan covers diagnosis and treatment of eating disorders and any residential treatment of eating disorders, if such treatment is medically necessary; therefore, there would be no fiscal impact to the Plan.

**Oversight** notes that during conversations with both MoDOT and MCHCP officials, it was stated that an actuarial study to determine the feasibility of consolidating the MoDOT/MHP health plan with the MCHCP was already in process. Therefore, Oversight assumes there should be no additional cost for this proposal related to this actuarial study. However, if additional costs are to be incurred, the MoDOT and MCHCP could request additional funding through the appropriations process.

Officials from the **Department of Mental Health (DMH)** state this proposal creates no direct obligation or requirements to the DMH that would result in a fiscal impact.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation Benefits Section for response regarding the potential fiscal impact of this proposal on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Oversight Division of the Joint Committee on Legislative Research</u>			
§376.1192 Actuarial studies	<u>(\$90,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$90,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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 changes the laws regarding Missouri Consolidated Health Care Plan, health insurance coverage, and health insurance contracts.

By December 31, 2013, the board of trustees of the Missouri Consolidated Health Care Plan will conduct an actuarial analysis of the feasibility of including the Department of Transportation sponsored health plan into the Missouri Consolidated Health Care Plan and provide the findings to the general assembly. The data and funding necessary to perform the analysis must be provided to the actuary of the Missouri Consolidated Health Care Plan by the Department of Transportation sponsored health plan.

Beginning September 1, 2013, the proposal requires the Oversight Division of the Joint Committee on Legislative Research to conduct an actuarial analysis of the cost impact to insureds with a health benefit plan, health insurers, and other private and public payers if state mandates were enacted to provide health benefit plan coverage for the diagnosis and treatment of eating disorders. The analysis should assume that the treatment includes medically necessary residential treatment and access to medical treatments recommended by medical and mental health care

FISCAL DESCRIPTION (continued)

professionals, including but not limited to psychological services, nutrition counseling, physical therapy, dietitian services, medical monitoring, and psychiatric monitoring. The division director must submit a report of the actuarial findings to the Speaker of the House of Representatives, President Pro Tem of the Senate, and the chair of the House Special Committee on Health Insurance and the Senate Small Business, Insurance and Industry Committee by December 31, 2013. The analysis must assume that the mandated coverage will not be subject to any greater deductible or copayment than other health care services provided under a health benefit plan and will not apply to a supplemental insurance policy. The cost for each actuarial analysis cannot exceed \$30,000. The provisions regarding the actuarial analysis expire December 31, 2013.

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 Mental Health  
Missouri Department of Transportation  
Department of Public Safety -  
Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Joint Committee on Legislative Research -  
Oversight Division



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