

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5234-02
Bill No.: HB 1901
Subject: Medicaid; Health Care; Insurance - Medical; Department of Social Services
Type: Original
Date: March 10, 2014

Bill Summary: This proposal changes the laws regarding health care coverage.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	Unknown, could exceed \$38,681,660	Unknown, could exceed \$121,664,081	Unknown, could exceed \$123,933,278
Total Estimated Net Effect on General Revenue Fund	Unknown, could exceed \$38,681,660	Unknown, could exceed \$121,664,081	Unknown, could exceed \$123,933,278

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Various Other State Funds	Unknown, greater than \$10,895,016	Unknown, greater than \$57,503,328	Unknown, greater than \$60,709,205
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown, greater than \$10,895,016	Unknown, greater than \$57,503,328	Unknown, greater than \$60,709,205

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 18 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenditures exceed \$2.38 billion annually and net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight notes that the **Department of Social Services (DSS)** and did not submit divisional responses for this proposal in a timely enough manner for Oversight to review and analyze the responses for the fiscal note. Therefore, Oversight is only presenting DSS' total impact as provided by the **Division of Finance and Administrative Services (DFAS)** as presented below:

FY15:

General Revenue Fund	\$38,505,960	Savings
Various Other State Funds	\$9,993,893	Savings
Federal Funds	(\$1,137,156,015)	Cost

FY16:

General Revenue Fund	\$121,356,206	Savings
Various Other State Funds	\$56,602,205	Savings
Federal Funds	(\$2,380,526,785)	Cost

FY 17:

General Revenue Fund	\$123,625,435	Savings
Various Other State Funds	\$59,808,082	Savings
Federal Funds	(\$2,443,363,194)	Cost

NOTE: Federal funds net to \$0 as reimbursements from the federal government are used to offset a corresponding increase in program expenditures.

Oversight notes that the **DSS - Family Support Division's (FSD)** fiscal impact statement was separately provided by DSS. However, Oversight did not receive the response in a timely enough manner to review and analyze the response. Therefore, only the total savings and costs for FSD are being provided in the fiscal note.

FY15, FY16, and FY17 savings are the same for each year:

General Revenue Fund	Unknown, greater than \$309,184
Various Other State Funds	Unknown, greater than \$901,123
Federal Funds	Unknown, greater than \$2,809,033

NOTE: Federal funds net to \$0 as program savings will result in an offsetting reduction (loss) in federal funds received.

HWC:LR:OD

ASSUMPTION (continued)

Oversight notes in DSS-FSD's response that there will also be a minor cost for mailing one-time notices to certain aged, blind, and disabled recipients. Oversight assumes the DSS-FSD can absorb this mailing expense within current funding levels.

Oversight notes that the **Office of Administration (OA) - Division of Budget and Planning (BAP)** did not submit their response for this proposal in a timely enough manner for Oversight to review and analyze the response. Oversight also notes that the assumptions of increased revenues included by OA-BAP are an indirect result of the proposal and will not be included in the fiscal impact statement.

Officials from the **OA-BAP** state the legislation will result in increased revenues to the state. The legislation will increase federal dollars spent on health care in Missouri by \$1.14 billion in fiscal year (FY) 2015. This infusion of federal dollars will allow health care employers to increase their payrolls.

BAP assumes health care providers will continue to spend the same percentage of revenues on payrolls and is assuming an effective 4.5% rate of withholding for those employees' salaries. Because this legislation does not begin until January 1, 2015, BAP assumes that only ½ of income tax revenues will be realized in FY15. BAP is assuming a full year of revenue growth in the subsequent fiscal years.

BAP assumes that 19.20% of new employee salaries will be spent on taxable purchases at a three percent general revenue sales tax rate.

BAP assumes that 6.9% of increased health care provider revenues that are not spent on salaries will be spent on taxable purchases at a three percent general revenue sales tax rate.

Increased Revenue			
	FY15	FY16	FY17
Income Taxes	\$9,220,945	\$38,606,322	\$39,625,375
Sales Taxes	\$1,770,421	\$4,941,609	\$5,072,048
Misc Taxes	\$843,411	\$2,354,132	\$2,416,272
Total	\$11,834,777	\$45,902,064	\$47,113,695

The growth in taxes is due solely to the growth in federally funded health benefits services, no multipliers have been used.

ASSUMPTION (continued)

Additional sales tax revenue will also be generated for education (1%), Conservation (.125%) and DNR (.1%).

Additional Sales Tax Impacts			
	FY15	FY16	FY17
Prop C-Function of Income Tax	\$724,102	\$2,021,118	\$2,074,468
Prop C-Non salary portion health care providers	\$344,955	\$962,840	\$988,255
Prop C Total	\$1,069,057	\$2,983,958	\$3,062,723

Additional Sales Tax Impacts			
	FY15	FY16	FY17
Conservation-Function of Income Tax	\$92,062	\$256,964	\$263,746
Conservation-Non salary portion health care providers	\$43,857	\$122,415	\$125,646
DNR-Function of Income Tax	\$74,358	\$207,548	\$213,026
DNR-Non salary portion health care providers	\$35,423	\$98,874	\$101,483
Total	\$245,700	\$685,800	\$703,902

§191.870 - Estimated Costs for Health Care Services

Officials from the **Department of Mental Health (DMH)** note that except for section 191.870, all changes in the proposed legislation are null and void unless Centers for Medicare and Medicaid Services (CMS) approves proposed coverage under waivers or state plan amendments for workforce participation, premium collection, high deductible health plans for eligibles with income less than 100% Federal Poverty Level (FPL), Health Care Exchange for eligibles at 100-133% FPL, and the higher federal match rate as specified in Section 2001 of Public law 111-148, as that section existed on March 23, 2010. However, if CMS approves all of the above proposed language, then the Department of Mental Health (DMH) fiscal impact for various sections of the proposal is provided.

Section 191.870 language proposes that health care providers provide an estimate of the cost of health care services upon patient request. DMH assumes that this requirement would be absorbed within the existing administrative functions of the DMH providers. Therefore, DMH anticipates no fiscal impact.

ASSUMPTION (continued)

§208.186 - Substance Abuse Assessments

Officials from the **DMH** state this section requires a MO HealthNet recipient who has been adjudicated guilty of a crime involving alcohol or a controlled substance or in which alcohol or a controlled substance was a contributing factor or is a parent of a child subject to proceedings in a juvenile court to obtain an assessment by a treatment provider approved by DMH. The language is unclear as to which department or division will fund these assessments or if the cost of the assessment will be paid by the individual. Since this is unclear, DMH assumes no cost for the assessments.

§ 208.661 - School-Based Clinics:

Officials at the **Department of Elementary and Secondary Education** assume §208.661, appears to provide the potential for local school districts to gain an incentive; however, any impact cannot be estimated.

§208.662 - Show-Me Healthy Babies

Officials from the **Office of Administration (OA) - Office of the Commissioner** state that under the Alternatives-to-Abortion (A2A) Program administered by OA, portions of this proposal would duplicate services provided under section 188.325, RSMo. Officials state due to the possible duplication of services and the differences between services provided, it is unknown at this time how the A2A Program would be impacted if this proposal passes.

Officials from the **DMH** state this section establishes the "Show-Me Healthy Babies Program" under the Children's Health Insurance Program (CHIP) to provide coverage to unborn children whose mothers are uninsured and have income up to 300% FPL. DMH currently serves consumers in Alcohol and Drug Abuse (ADA) and Comprehensive Psychiatric Services (CPS) programs that are not eligible for MO HealthNet that would qualify in this new program. There also will be additional individuals with substance abuse disorders and serious mental illness who would qualify under this new program. Costs for Community Psychiatric Rehabilitation (CPR) and Comprehensive Substance Abuse Treatment and Rehabilitation (CSTAR) services are included in the Department of Social Services (DSS) fiscal estimates for this proposal.

ASSUMPTION (continued)

Officials from the **OA-ITSD** state to implement the Show-Me Healthy Babies Program Analysis, design, coding and testing:

Family Assistance Management Information System (FAMIS) Estimates:

An auto batch program to create these applications	160
Data Gathering	160
Technical Eligibility Determination	250
Income Eligibility Determination	250
Assistance Grouping changes	200
Possible New Screen(s)	200
Possible changes on the Pregnancy Detail Screen	160
Presumptive Eligibility Procedure (Should be built into the Technical or Income Determination)	160
Coverage up to one year after birth/ Ex-Parte etc (Is this in addition to the existing newborn benefits that the system provides now?)	160
Possible changes on the Managed Care Batch Program	160
Forms/Notices	160
Extracts/Reports	160
Annual Report (Analysis of Cost Savings/Benefits)	80
Total	2,260 hrs

Assumptions:

The estimates for FAMIS are given as if the changes would be made in the current FAMIS system;

HWC:LR:OD

ASSUMPTION (continued)

If the changes for this proposal are implemented on top of the Modified Adjusted Gross Income (MAGI) implementation, then costs become unknown as the MAGI technology and application are unknown at this time; and

This effort would require contract staff whose current rate averages \$90.00 per hour.

MHD Estimates:

Activities	Estimated Hours
Analysis/Design/Create/Modify Specs	100
Coding	160
Testing	40
Total	300 hrs

For fiscal note purposes, ITSD is not assuming changes for this proposal will be implemented on top of the MAGI implementation.

Match rate is 50% General Revenue and 50% Federal.

Some of the changes mentioned in this proposal for FAMIS would potentially be implemented on top of the proposed MAGI implementation scheduled for the end of this year. Costs become unknown as the technology and application used are unknown at this time.

§208.991 - Definitions and MO HealthNet Eligible Persons

Officials from the **DHSS - Division of Senior and Disability Services (DSDS)** provide for this section of the proposal, the following assumptions:

Services for New Participants

The DHSS defers to the Department of Social Services to calculate the fiscal impact associated with determining eligibility under the new requirements, the cost of services for the new group of eligible recipients, and the cost of any administrative hearings regarding denial of eligibility. The appropriations for Medicaid Home and Community Based (HCB) Services are included in the DHSS/DSDS budget. DHSS estimates the average annual cost per participant at \$12,923 for FY15.

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ASSUMPTION (continued)

Assessment and Reassessment Costs

Each new participant in Home and Community Based (HCB) Services would receive a prescreen, an initial assessment, and an annual reassessment in subsequent years. Each prescreen takes an average of one hour to complete. Each assessment takes an average of two hours to complete. DHSS may require additional staff to complete assessments and reassessments on any newly eligible individuals. DHSS estimates that 1 FTE is required to complete 2,080 prescreens, and 1 FTE is required to complete 1,040 assessments/reassessments per year. As it is unknown how many additional participants may qualify for services, the DSDS assumes an unknown amount of staff may be needed.

Officials from the **DMH** state sections 208.990 and 208.991 are null and void unless the CMS approves proposed coverage under waivers or state plan amendments. These sections would add coverage for caretaker relatives living with a dependent child and individuals age 19 through 64 with income not exceeding 133% of the FPL who are not pregnant and who are not eligible for Medicare.

Individuals eligible in this new coverage group would receive an alternative benefit package that meets the requirements of federal law rather than the full MO HealthNet benefit package or through the Health Care Exchange for participants with incomes 100-133% of the federal poverty level (FPL), unless the individual meets the definition of medically frail. Medically frail individuals will receive the MO HealthNet benefit package. The legislation defines medically frail to include individuals with:

- disabling mental disorders;
- chronic substance use disorders; and
- physical, intellectual, and developmental disability that significantly impairs their ability to perform one or more activities of daily living.

Therefore, DMH assumes that the DMH population would meet the medically frail definition, and would receive the full MO HealthNet benefit package.

DMH costs and/or cost savings for these changes will be included in DSS costs and/or cost savings to the MO HealthNet program.

Officials from the **OA-ITSD** state section 208.991.6 provides for a new MO HealthNet debt offset. ITSD would need to change tax systems for the Department of Revenue at an estimated 504 hours of work.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** state this section 208.991(6) allows the Department of Social Services to garnish an individual's income tax returns in order to collect the required cost sharing under this subsection.

ITSD-DOR estimates an administrative impact of 504 hours for the new MO HealthNet debt offset to individual tax returns.

Oversight notes that DOR's costs have been included in the total OA-ITSD costs provided.

§208.997 - Health Care Homes Program

Officials from the **DHSS - Division of Community and Public Health (DCPH)** state this section poses an unknown impact to the Healthy Children and Youth (HCY) and Medically Fragile Adult Waiver (MFAW) programs. This section directs MO HealthNet to develop and implement a "Health Care Homes Program" as a provider-directed care coordination program for individuals who are deemed medically frail and who shall be transitioned from the fee-for-service program. Currently, Special Health Care Needs (SHCN) provides service coordination for recipients for MO HealthNet's HCY and MFAW Programs. Through service coordination functions, SHCN service coordinators assess and authorize the home and community based services to be provided to program participants by other providers.

Officials from the **DMH** state this section is null and void unless the CMS approves proposed coverage under waivers or state plan amendments. Section 208.997 develops and implements the Health Care Home program for medically frail participants not enrolled in a prepaid MO HealthNet benefit option and who are fee-for-service. The legislation allows for health care home payments to be made to primary care clinics, community mental health centers (CMHC) and other appropriate providers. However, section 208.997.3 only allows the DMH to designate that the health care homes program be administered through an organization with primary care presence, experience with Medicaid population health management, and an established health care homes outcomes monitoring and improvement system. This language leaves out CMHCs as organizations that may administer a health care home program. Since CMHCs currently administer health care home programs, the fiscal impact of removing them from administering the health care home program is an unknown cost due to the loss of care coordination.

Officials from the **DHSS - DSDS** state this section establishes health care homes for medically frail individuals who participate in MO HealthNet State Plan HCBS, the Aged and Disabled Waiver (ADW); Independent Living Waiver (ILW) and Adult Day Care Waiver (ADCW), and transitions them to managed care settings. Since the design of neither the managed care setting, nor the services covered is defined, DSDS cannot provide a fiscal estimate for this section.

ASSUMPTION (continued)

§208.998 - Managed Care Services

Officials from the **DMH** state this section is null and void unless the CMS approves proposed coverage under waivers or state plan amendments. Section 208.998.9 requires health plans to cover specific services unless the service is specifically excluded from the health plans because it is determined to be cost effective under Section 208.998.2. Section 208.998.9 language also appears to require that these excluded services be provided by an administrative services organization (ASO). It is assumed that the DMH population would be carved out as medically frail and would not receive services under a health plan or administered by an ASO as noted in Section 208.991.5, 208.991.10, and 208.998.1. If the DMH services are interpreted to be administered under an ASO, there would be a significant impact to the DMH Federal funding.

This list of services does not specifically include "case management" or "preventive services including mental health for participants at risk for needing mental health services". DMH is concerned that not covering case management or preventive services could cause an increased but unknown cost to physical and mental health services.

Officials from the **OA-ITSD** provide that to expand Managed Care program statewide ITSD's effort and costs are estimated on the following assumptions:

MO HealthNet Systems - Modify batch subroutine that identifies the Managed Care region the participant resides in. The Missouri Eligibility Determination and Enrollment System (MEDES) would call this subroutine to when creating the Managed Care file to be processed by MO HealthNet (MHN) Systems. Estimate of 28 hours to complete.

MHN Systems - Modify COBOL modules with reassignment logic to enroll the participant in the same health plan in a different region if the plan exists in both regions. Estimate of 28 hours to complete.

Server Applications Team - Modify Managed Care Online Enrollment application to add the new regions and the health plans available in each region. Estimate of 40 hours to complete.

MHB Systems - Modify programming for approximately 10 reports for new health plans and add new health plans to the provider database. Estimate of 64 hours to complete.

Data Center costs for operating Managed Care currently average about \$1,900 per month for CPU, storage and print costs. Extrapolating based on a 56% increase in participants in Managed Care, processing costs should increase by \$1,064 per month or \$12,768 per year.

Match rate is 50% General Revenue and 50% Federal.

ASSUMPTION (continued)

Costs estimated by OA-ITSD for this proposal are to General Revenue and Federal funds. FY15 expenditures estimated to be \$259,488 to Unknown (\$133,484 GR; \$126,004 Federal); FY16 expenditures are estimated to be \$13,089 to Unknown (\$1,309 GR; \$11,778 Federal); and FY 17 costs are estimated to be \$13,414 to Unknown (\$1,341 GR; \$12,073 Federal).

Bill as a Whole:

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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

Officials at the **OA-Division of Purchasing and Materials Management**, the **Missouri Department of Transportation**, the **Missouri Department of Conservation**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Joint Committee on Administrative Rules**, the **Missouri Consolidated Health Care Plan**, the **Office of State Courts Administrator** and the **City of Columbia** each assume there is no fiscal impact to their respective agencies from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Savings - DSS</u>			
Implementation of Medicaid expansion	\$38,505,960	\$121,356,206	\$123,625,435
<u>Savings - DSS-FSD</u>			
Implementation of Medicaid expansion	Unknown, greater than \$309,184	Unknown, greater than \$309,184	Unknown, greater than \$309,184
<u>Costs - OA-ITSD</u>			
Computer programming and system changes	(\$133,484 to Unknown)	(\$1,309 to Unknown)	(\$1,341 to Unknown)
<u>Costs - OA (§208.662)</u>			
Impact on A2A Program	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Costs - DMH (§208.997)</u>			
Increase in program costs due to loss of care coordination	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DMH (§208.998)</u>			
Increase in program costs for case management/preventative services	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DHSS</u>			
Personal service, equipment and expenses, program costs or savings resulting from managed care, health care homes and other changes	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Unknown, could exceed \$38,681,660</u>	<u>Unknown, could exceed \$121,664,081</u>	<u>Unknown, could exceed \$123,933,278</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
VARIOUS OTHER STATE FUNDS			
<u>Savings - DSS</u>			
Implementation of Medicaid expansion	\$9,993,893	\$56,602,205	\$59,808,082
<u>Savings - DSS-FSD</u>			
	<u>Unknown, greater than \$901,123</u>	<u>Unknown, greater than \$901,123</u>	<u>Unknown, greater than \$901,123</u>
ESTIMATED NET EFFECT ON VARIOUS OTHER STATE FUNDS			
	<u>Unknown, greater than \$10,895,016</u>	<u>Unknown, greater than \$57,503,328</u>	<u>Unknown, greater than \$60,709,205</u>
FEDERAL FUNDS			
<u>Income - DSS</u>			
Program reimbursements	\$1,137,156,015	\$2,380,526,785	\$2,443,363,194
<u>Income - OA-ITSD</u>			
Computer programming and system changes reimbursement	\$126,004 to Unknown	\$11,778 to Unknown	\$12,073 to Unknown
<u>Income - DMH (§208.997)</u>			
Increase in program reimbursements	Unknown	Unknown	Unknown
<u>Income - DHSS (§208.997)</u>			
Changes to service coordination activities	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Income - DMH (§208.998)</u>			
Increase in program reimbursements	Unknown	Unknown	Unknown
<u>Income - DHSS</u>			
Personal service, equipment and expenses, program costs or savings resulting from managed care, health care homes and other changes	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
FEDERAL FUNDS (cont.)			
<u>Savings - DSS-FSD</u>			
Reduction in program expenditures	Unknown, greater than \$2,809,033	Unknown, greater than \$2,809,033	Unknown, greater than \$2,809,033
<u>Costs - DSS</u>			
Increase in program expenditures	(\$1,137,156,015)	(\$2,380,526,785)	(\$2,443,363,194)
<u>Costs - OA-ITSD</u>			
Computer programming and system changes reimbursement	(\$126,004 to Unknown)	(\$11,778 to Unknown)	(\$12,073 to Unknown)
<u>Costs - DMH (§208.997)</u>			
Increase in program expenditures	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DHSS (§208.997)</u>			
Changes to service coordination activities	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Costs - DMH (§208.998)</u>			
Increase in program costs for case management/preventative services	(Unknown)	(Unknown)	(Unknown)
<u>Costs - DHSS</u>			
Personal service, equipment and expenses, program costs or savings resulting from managed care, health care homes and other changes	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
<u>Loss - DSS-FSD</u>			
Reduction in program reimbursements	<u>(Unknown, greater than \$2,809,033)</u>	<u>(Unknown, greater than \$2,809,033)</u>	<u>(Unknown, greater than \$2,809,033)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small business health care providers will be impacted by this proposal. The potential impact is unknown.

FISCAL DESCRIPTION

This proposal changes the laws regarding health care. It would:

1) require health care providers to, upon request from a patient, potential patient or such person's parent or guardian, give an estimated cost for health care service based on health benefit plan coverage, Medicaid coverage, Medicare coverage, or uninsured status; (191.870)

2) require the Department of Social Services (DOSS) to notify potential exchange-eligible MO HealthNet participants who might be eligible for services due to spenddown that the participant may be eligible for more cost-efficient private insurance and premium tax credits through purchase of health insurance plan in a health care exchange; (208.151.7)

3) require a MO HealthNet participant who has been adjudicated guilty of a crime involving alcohol or controlled substances to obtain an assessment by a Department of Mental Health-approved treatment provider to help the court determine the need for services; (208.186)

4) require DOSS to take steps to permit rural health clinics, federally-qualified health centers, or other primary care practices to co-locate on the property of public elementary and secondary schools with seventy-five percent (75%) or more students who qualify free or reduced price lunch; (208.661)

5) establish a Show-Me Healthy Babies Program within DOSS as a separate children's health insurance program (CHIP) for any low-income unborn child; (208.662)

6) define "caretaker relative" (208.991.1) and specify caretaker relatives are not eligible for MO HealthNet services unless the child is receiving benefits under the MO HealthNet program, the Children's Health Insurance Program (CHIP), or is enrolled in minimum essential coverage as defined in federal regulations (208.990.6)

7) specify that certain provisions of this legislation are null and void unless federal waivers or approval of state plan amendments are granted, the federal Department of Health and Human Services approves eligibility of persons with incomes up to one-hundred and thirty-three percent

FISCAL DESCRIPTION (continued)

(133%) of federal poverty level, the federal Department of Health and Human Services approves enhanced federal funding for “new” eligibles; (208.990.7)

8) specify that coverage of “new” eligibles will be ended if federal funds provided are less than ninety percent (90%) of funds necessary to cover benefits for “new” eligibles; [208.990.7 (2)]

9) provide a definition of “medically frail” persons; [208.991.1 (7)]

10) require DOSS to implement an automated process to ensure that applicants for benefit programs are eligible for those programs; (208.991.3)

11) require the MO HealthNet Division of DOSS to develop a Health Care Homes Program as a provider-directed care coordination program for MO HealthNet recipients who are not enrolled in a prepaid MO HealthNet benefits option and who are receiving services on a fee-for-service basis or are otherwise identified by DOSS; (208.997)

12) specify that persons who qualify for MO HealthNet coverage, except for the medically frail, will receive coverage services through managed care plans approved by DOSS; (208.998)

13) specify information managed care organizations must provide to DOSS, at least annually, and which DOSS must make available to the public within thirty days of receipt, specify medical loss ratios managed care plans must maintain, provide minimum provider networks for managed care plans, require DOSS to contract with an independent organization to conduct secret shopper surveys of managed care plans for compliance with network adequacy standards, and require managed care plans to provide certain service utilization data at least quarterly; (208.999)

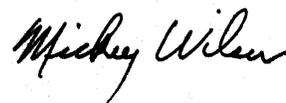
14) require the DOSS, subject to appropriations and to the extent that incentives are eligible for federal matching funds, to develop incentive programs to encourage the construction and operation of urgent care clinics which operate outside normal business hours and are in or adjoining emergency department facilities which receive a high proportion of MO Healthnet-participant patients; (208.100) and,

15) make any MO HealthNet recipient who elects to receive medical coverage through a private health insurance plan rather than MO HealthNet eligible for a private insurance premium subsidy if DOSS determine the subsidy to be cost effective.

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

Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Joint Commission on Administrative Rules
Missouri Department of Conservation
Office of Administration -
 Division of Budget and Planning
 Office of the Commissioner
 Information Technology Services Division
Office of Secretary of State
City of Columbia



Mickey Wilson, CPA
Director
March 10, 2014

Ross Strobe
Assistant Director
March 10, 2014