

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4745-01
BILL NO.: HB 2159
SUBJECT: Insurance - Medical; Retirement - State; Transportation Department
TYPE: Original
DATE: April 27, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	(\$47,250)	(\$56,700)	(\$56,700)
Total Estimated Net Effect on <u>All</u> State Funds	(\$47,250)	(\$56,700)	(\$56,700)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance (INS), Missouri Consolidated Health Care Plan (HCP)** and **Department of Public Safety - Missouri Highway Patrol (MHP)** assume this legislation would not fiscally impact their agencies.

Missouri Department of Transportation (DHT) officials stated the purpose of this legislation appears to be to allow the state share to be contributed for Highway & Patrol retirees who are in HMOs since at the present time, retirees are not entitled to a state contribution for medical expenses if the retiree is in a HMO.

However, in subsection 4 of 104.515 "transportation department employees' and highway patrol retirement system" appears immediately before "medical insurance plan". With the new language on "medical insurance plan", subsection 4 appears to permit a state contribution toward the medical expenses of retirees who are in HMOs if the HMO is a Highway & Patrol HMO. It is uncertain whether the HMOs with whom the Missouri Highway and Transportation Commission (MHTC) contracts would qualify as a Highway & Patrol HMO since the board of trustees does not control or administer the HMOs and since the HMOs are not a plan feature. If it is decided that the contracted HMOs are the same as the Highway & Patrol medical insurance plan, then there is a fiscal impact on MHTC because of the new state share (contribution) toward the medical expenses of a retiree who is in a HMO.

DHT currently has 66 retirees in HMO plans. With the current state share of \$88 and \$100 for retirees, the total fiscal impact to MHTC would be \$56,700 annually (25 plans at \$88 plus 41 plans at \$100 = \$75,600 x 75% for DHT subscribers).

<u>FISCAL IMPACT - State Government</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
	(10 Mo.)		
HIGHWAY FUND			
<u>Costs- Department of Transportation</u>			
Fringe Benefits	<u>(\$47,250)</u>	<u>(\$56,700)</u>	<u>(\$56,700)</u>
ESTIMATED NET EFFECT TO THE HIGHWAY FUND	<u>(\$47,250)</u>	<u>(\$56,700)</u>	<u>(\$56,700)</u>

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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2001</u> (10 Mo.)	<u>FY 2002</u>	<u>FY 2003</u>
	<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.

DESCRIPTION

This bill adds a definition of "medical insurance plan" to a section of the Missouri State Employees' Retirement System statutes regarding various insurance-related premiums. Currently, the term "medical insurance plan" occurs only in the subsection that relates to special consultants for the Transportation Department and Highway Patrol Employees' Retirement System.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

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



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Director
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