

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2131-04
Bill No.: Perfected HS for HB 891
Subject: Consumer Protection; Health Care; Health Care Professionals; Insurance -
 Medical; Insurance Department
Type: Corrected#
Date: April 23, 2001
 #To reflect correct description.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$48,797)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$48,797)	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation**, the **Department of Health**, the **Department of Insurance**, and the **Department of Revenue** assume this proposal would not fiscally impact their agencies.

Office of Administration - Division of Budget and Planning (BAP) officials state the proposal would create a Commission on Health Information Privacy to make recommendations to the General Assembly for additional legislative measures needed to protect the privacy of nonpublic health information. BAP states the members would be reimbursed for actual and reasonable expenses. Since the department responsible for paying these expenses is not specified, BAP assumes the following costs for the thirteen public members of the commission. BAP assumes the meetings would be held in Jefferson City and the two state officials on the Commission would be reimbursed through their respective offices/departments. BAP states the section has an effective date of January 1, 2002 and the Commission must make recommendations within six months from the effective date. BAP assumes there would be two meetings per month for two days. BAP expenses assumes expenses of \$48,797 for FY 2002. BAP assumes the Commission would no longer meet after its recommendations are presented to the General Assembly and there would be no cost in FY 2003 or FY 2004.

Officials from the **Department of Economic Development - Division of Professional Registration**, the **Department of Conservation**, the **Department of Public Safety - Missouri State Highway Patrol**, the **Missouri Consolidated Health Care Plan**, and the **Department of Social Services** did not respond to our fiscal impact request. However, in responding to a similar proposal they assumed this proposal would not fiscally impact their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (6 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Costs - Office of Administration - Division of Budget and Planning</u>			
Commission expenses	(\$48,797)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$48,797)</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2002
(6 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit the selling of personal health information to a third party or the disclosure of information to a third party for the purpose of: (1) marketing a product or service; (2) employment decisions; or (3) credit worthiness. The proposal does not apply in cases where the person cannot be identified from the information or when the person provides written authorization. The proposal does not prohibit disclosure of information that is necessary in the providing of health care or to comply with any other state or federal law. Insurance entities would be deemed to be in compliance with the proposal upon either: (1) demonstrating a good faith effort to comply with federal privacy rules; or (2) complying with model legislation adopted by the National Association of Insurance Commissioners. The Department of Insurance would enforce the proposal regarding insurance entities, who may be sued for unfair trade practices. Any other person in violation may be fined up to \$500 for each violation and may be civilly liable for damages or equitable relief. The proposal would also establish the Commission on Health Information Privacy, to be comprised of 15 people from various health care industry, governmental, and consumer groups. The commission would make recommendations to the General Assembly by January 1, 2003, regarding any additional legislation needed to protect the privacy of personal health information. The proposal would become effective January 1, 2002.

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 Transportation
Department of Health
Department of Insurance
Department of Revenue
Office of Administration
Division of Budget and Planning

NOT RESPONDING: Department of Economic Development - Division of Professional Registration, Department of Conservation, Department of Public Safety - Missouri State Highway Patrol, Missouri Consolidated Health Care Plan, and Department of Social Services



Jeanne Jarrett, CPA
Director

April 23, 2001