

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4873-01
Bill No.: HB 1614
Subject: Insurance - Medical; Insurance Dept.; Mental Health
Type: Original
Date: March 10, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue Fund	\$0*	\$0*	\$0*
Total Estimated Net Effect on General Revenue Fund	\$0*	\$0*	\$0*

* Forgone savings estimated to be \$116,371 for FY 05; \$239,724 for FY 06; and \$246,916 for FY 07.

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Other State Funds	\$0**	\$0**	\$0**
Total Estimated Net Effect on <u>All</u> State Funds	\$0**	\$0**	\$0**

** Forgone savings estimated between \$1,406,999 to \$1,625,544 for FY 05; \$2,898,417 to \$3,348,621 for FY 06; and \$2,985,370 to \$3,449,079 for FY 07.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0***	\$0***	\$0***

*** Forgone savings estimated to be between \$0 and \$407,195 for FY 05; \$0 to \$838,821 for FY 06; and \$0 to \$863,986 for FY 07.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation, Department of Mental Health, Department of Corrections, Missouri Consolidated Health Care Plan, Department of Insurance** and **Department of Public Safety - Missouri State Highway Patrol** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Missouri Department of Transportation (DOT)** assume the proposal will have no fiscal impact on the MHTC/DOT or the Highway and Patrol Medical Plan.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposal repeals the January 1, 2005, expiration date for the Mental Health and Chemical Dependency Insurance Act. This proposal will not have a fiscal impact on the DMS. The DMS covers mental health conditions, if medically necessary, and if the proposal passes, there will be no change in coverage. However, if the act expires, the DMS will continue to cover these conditions if medically necessary.

ASSUMPTION (continued)

Oversight assumes if this program is extended and the Mental Health and Chemical Dependency Insurance Act is not repealed effective January 1, 2005, the result will be potential forgone savings to General Revenue, Other State Funds, and Local Government Funds. **Oversight** assumes forgone savings for General Revenue and Other State Funds of approximately \$1,523,370 to \$1,741,915 for FY 05 (six months); \$3,138,141 to \$3,588,345 for FY 06; and \$3,232,285 to \$3,695,995 for FY 07. **Oversight** also assumes forgone savings to Local Government Funds of between \$0 and \$407,195 for FY 05; \$0 to \$838,821 for FY 06; and \$0 to \$863,986 for FY 07. These estimates were determined using the fiscal note impact for HCS for SS for SCS for SB 338 (1999) and applying a 3% growth factor.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (6 Mo.)	FY 2006	FY 2007
GENERAL REVENUE *	<u>\$0*</u>	<u>\$0*</u>	<u>\$0*</u>
OTHER STATE FUNDS **	<u>\$0**</u>	<u>\$0**</u>	<u>\$0**</u>

* Forgone savings estimated to be \$116,371 for FY 05; \$239,724 for FY 06; and \$246,916 for FY 07.

** Forgone savings estimated between \$1,406,999 to \$1,625,543 for FY 05; \$2,898,417 to \$3,348,618 for FY 06; and \$2,985,369 to \$3,449,077 for FY 07.

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0***</u>	<u>\$0***</u>	<u>\$0***</u>

*** Forgone savings estimated to be between \$0 and \$407,195 for FY 05; \$0 to \$838,821 for FY 06; and \$0 to \$863,986 for FY 07.

FISCAL IMPACT - Small Business

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

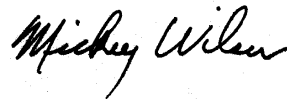
DESCRIPTION

This proposal repeals the January 1, 2005, expiration date for the Mental Health and Chemical Dependency Insurance Act.

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 Mental Health
Department of Corrections
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation



Mickey Wilson, CPA
Director
March 10, 2004