

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4873-02
Bill No.: HCS for HB 1614
Subject: Insurance - Medical; Insurance Dept.; Mental Health
Type: Original
Date: March 12, 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***

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Department of Public Safety - Missouri State Highway Patrol, Missouri Consolidated Health Care Plan, Department of Corrections and Missouri Department of Conservation** 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 Highway & Patrol Medical Plan.

Officials from the **Department of Social Services (DOS)** state the proposal sets a new sunset date for January 1, 2011. The Division of Family Services assumes the proposal will have no fiscal impact on the DOS.

Officials from the **Department of Mental Health (DMH)** state the proposal will have no fiscal impact on the DMH. The proposal relates to the health insurance coverage of "Mental Health and Chemical Dependency". Section 376.827.2, RSMo, requires a health insurer, if offering mental illness and chemical dependency coverage, to not place a greater financial burden on an insured for access and treatment than is imposed for physical conditions. The proposal does not require coverage of mental illness

ASSUMPTION (continued)

Oversight assumes if the Mental Health and Chemical Dependency Insurance Act is extended to January 1, 2011, 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 (6 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 extends the expiration date for the Mental Health and Chemical Dependency Insurance Act to January 1, 2011.

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 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



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Director
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