

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2170-02
Bill No.: HB 923
Subject: General Assembly; Health Care; Health Dept.
Type: Original
Date: April 25, 2005

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|-------------------|-------------------|-------------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| General Revenue | (Unknown)* | (Unknown)* | (Unknown)* |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (Unknown)* | (Unknown)* | (Unknown)* |

* Total unknown costs to the General Revenue, Patrol Highway and Road Funds are expected to be less than \$100,000 annually.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|-------------------|-------------------|-------------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Patrol Highway | (Unknown)* | (Unknown)* | (Unknown)* |
| Road | (Unknown)* | (Unknown)* | (Unknown)* |
| Insurance Dedicated | \$8,000 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | (Unknown)* | (Unknown)* | (Unknown)* |

* Total unknown costs to the General Revenue, Patrol Highway and Road Funds are expected to be less than \$100,000 annually.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety (DPS) - Director's Office** defer any cost estimates and comments to the Office of Administration and the Missouri Consolidated Health Care Plan since health care premiums and insurance matters are handled through those agencies.

Officials from the **DPS - Missouri State Highway Patrol** is deferring to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Department of Social Services - Division of Medical Services** assume the proposal will have no impact on their organization since Missouri Medicaid already covers the cost of human papillomavirus (HPV) testing.

Officials from the **Missouri Department of Conservation (MDC)** state the proposal would not appear to have a fiscal impact on MDC funds since such testing, if medically necessary, is covered by MDC's insurance program.

Officials from the **Missouri Department of Transportation (DOT)** state the Highway and Patrol Medical Plan is not a "health carrier" or "health benefit plan" as defined within section 376.1350, RSMo, as such this proposal does not directly affect the medical plan. However, under 104.801, RSMo, the medical plan will have to provide coverage for this type of testing as a cervical cancer-screening test.

ASSUMPTION (continued)

Currently this is a test that is covered by the Highway and Patrol Medical Plan, subject to a deductible and coinsurance, if there is a diagnosis related to the test. Also, the Medical Plan provides a \$300 preventive care benefit to the subscriber and enrolled spouse in the PPO plan or \$350 for preventive care services for anyone enrolled in the Open Access III plan. These amounts are applied on a current year basis. Any routine service or screening can be applied to this benefit. As a result, the HPV test can be applied to the preventive care benefit and covered 100%. The HPV test would not be a covered service if there is no diagnosis and the individual has exhausted their preventive care benefit for the current year.

The DOT is assuming that most women will be able to receive their annual well-woman check along with the HPV test without exhausting their preventive care benefit of \$300 or \$350 per calendar year. As a result, there would be a minimal fiscal impact to the Highway and Patrol Medical Plan. The DOT is assuming the fiscal impact would be less than \$100,000.

Oversight is presenting unknown costs to the General Revenue Fund, the Patrol Highway Fund, and the Road Fund. The total of all costs to these funds is unknown less than \$100,000. Costs to all other state funds would be minimal and are not presented for fiscal note purposes.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the HCP currently provides 100% coverage for screening test for cervical cancer and outpatient diagnostic lab and x-ray services. Due to this required additional test, more pathology reports, and varying treatments, some additional cost is expected. The plan may transfer these additional costs to the members through an increase in premium. However, this amount is expected to be minimal.

Officials from the **Department of Insurance (INS)** estimate 160 insurers and HMOs would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the INS for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000 (160 insurers X \$50).

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the INS will need to request additional staff to handle the increase in workload.

Oversight assumes the change in insurance coverage will be effective January 1, 2006.

This proposal will result in an increase in total state revenue.

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (6 Mo.) | FY 2007 | FY 2008 |
|---|--------------------------|--------------------------|--------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Costs - Missouri Department of Transportation</u> | | | |
| Increase in state-share of premium costs | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>(Unknown)*</u> | <u>(Unknown)*</u> | <u>(Unknown)*</u> |
| PATROL HIGHWAY FUND | | | |
| <u>Costs - Missouri Department of Transportation</u> | | | |
| Increase in state-share of premium costs | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON PATROL HIGHWAY FUND | <u>(Unknown)*</u> | <u>(Unknown)*</u> | <u>(Unknown)*</u> |
| ROAD FUND | | | |
| <u>Costs - Missouri Department of Transportation</u> | | | |
| Increase in state-share of premium costs | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON ROAD FUND | <u>(Unknown)*</u> | <u>(Unknown)*</u> | <u>(Unknown)*</u> |
| INSURANCE DEDICATED FUND | | | |
| <u>Income - Department of Insurance</u> | | | |
| Form filing fees | <u>\$8,000</u> | <u>\$0</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND | <u>\$8,000</u> | <u>\$0</u> | <u>\$0</u> |

*** Total unknown costs to the General Revenue, Patrol Highway and Road Funds are expected to be less than \$100,000 annually.**

FISCAL IMPACT - Local Government

FY 2006
(6 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal could directly impact small businesses that provide insurance to employees as insurance premiums may increase.

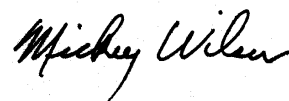
DESCRIPTION

This proposal requires that all health carriers and health benefit plans, excluding supplemental insurance policies, include coverage for the cost of human papillomavirus (HPV) testing as a cervical cancer screening test. The testing will be subject to the same deductibles or copayments as other similar health care services.

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 Social Services
Missouri Department of Transportation
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation



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