

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3480-01
Bill No.: HB 1046
Subject: Health Care Professionals; Insurance - Medical; Medical Procedures and
Personnel
Type: Original
Date: May 1, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance (INS)** assume the proposal will have no fiscal impact on their organization. It is very likely, however, that there will not be enough data for insurers to calculate rates based on this proposal. Insurers have testified that the entire state of Missouri lacks sufficient data for rate-making purposes for some classification codes and that it is necessary to use other states' data to develop some rates. The INS collects information on open and closed medical malpractice claims. The total closed claim count for the entire state of Missouri from 1995 to 2002 was 5,453 claims.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business physicians if medical malpractice rates are reduced.

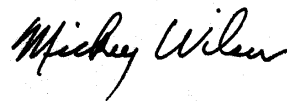
DESCRIPTION

This proposal requires all insurers providing medical malpractice insurance to health care providers to establish premium rates based on the average judgment awarded in medical malpractice cases by county. For providers practicing in more than one county, the premium rate will be adjusted based on the percentage of the provider's practice conducted in each county.

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 Insurance

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
May 1, 2006