

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4574-03
Bill No.: HCS for HB 1990
Subject: Health Care; Health Care Professionals; Hospitals; Physicians
Type: Original
Date: April 7, 2008

Bill Summary: This legislation prohibits health care professionals from billing for anatomic pathology services not personally rendered.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Road Fund	(Unknown but Less than \$100,000)	(Unknown but Less than \$100,000)	(Unknown but Less than \$100,000)
Insurance Dedicated Fund	\$5,450	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown but Less than \$100,000)	(Unknown but Less than \$100,000)	(Unknown but Less than \$100,000)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Mental Health, Department of Public Safety, Department of Conservation** and the **Department of Health and Senior Services** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services** assume the proposal would have no fiscal impact on their agency. These provisions are already included in federal regulations regarding sanctions for false or fraudulent claims for Title XIX services. Also, the Medicaid Physician's Provider Manual contains policy that anatomical and surgical pathology services must be performed by a physician.

In response to a previous version of this proposal, officials from the **Missouri Consolidated Health Care Plan** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Highways and Transportation (DHT)** and the **Missouri State Highway Patrol (MSHP)** assume Section 191.890 prohibits health care professionals from billing for anatomic pathology services not personally rendered. This portion does not DHT or MSHP or the DHT/MSHP Medical Plan.

Section 376.1373 requires all health carriers to provide notification to an enrollee at least 30 business days prior to the termination if the participation status of an in-network provider changes to out-of-network. It also stipulates that all health carriers provide a written procedure for ensuring continuity of care when a provider's participation status changes, which is to be provided to the enrollee, providers, or director upon request. It also states that the health carrier shall assure continuation of care to enrollees affected by the change for a period of up to ninety days when the care is medically necessary such as circumstances related to disability, pregnancy, or life threatening illnesses. If the health carrier failed to timely notify the enrollees, an enrollee shall continue to receive services at the contracted rate for in-network provider services, including all deductibles, coinsurance and co-payments.

The Plan is not classified as a health carrier as defined in this section; however, DHT does contract with a vendor to furnish a network of providers to our enrollees and also contract with a claims administrator to process the claims in accordance with our plan benefits. If the network provider fails to notify the enrollee of a provider status change and are required to price the claims as in-network prior to sending to our claims administrator for payment, then the Plan could ultimately be responsible for the higher costs.

ASSUMPTION (continued)

There would not be a fiscal impact to DHT or MSHP and it is unknown as to the fiscal impact to the plan, but it would be less than \$100,000.

Officials from the **Department of Insurance, Financial Institutions & Professional Registration** estimates approximately 109 insurers would be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the Department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$5,450.

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 Department will need to request additional staff to handle increase in workload.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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ROAD FUND

Costs - Department of Highways and Transportation

Health Plan Costs	(Unknown but Less than \$100,000)	(Unknown but Less than \$100,000)	(Unknown but Less than \$100,000)
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ESTIMATED NET EFFECT ON ROAD FUND	<u>(Unknown but Less than \$100,000)</u>	<u>(Unknown but Less than \$100,000)</u>	<u>(Unknown but Less than \$100,000)</u>
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INSURANCE DEDICATED FUND

Income - Department of Insurance, Financial Institutions & Professional Registration

Filing Fee	<u>\$5,450</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$5,450</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The proposed legislation prohibits a licensed health care professional from charging, billing, or soliciting payment for anatomic pathology services, unless the services are rendered personally by the licensed health care professional or under his or her direct supervision. No patient, insurer, third-party payor, hospital, public health clinic, or nonprofit health clinic will be required to reimburse any licensed health care professional for charges or claims submitted in violation of this provision. Nothing will prohibit the billing of a referring laboratory for services when samples must be sent to another specialist.

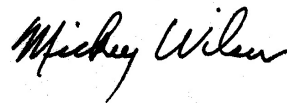
The state licensing board having jurisdiction over the licensed health care professional who requests or provides these services may revoke, suspend, or deny the license of anyone who violates these provisions.

This legislation (Section 191.890) is federally mandated by 13 CSR 70-3.030(3)a(26).

This legislation would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Missouri Consolidated Health Care Plan
Department of Conservation
Department of Highways and Transportation
Department of Health and Senior Services
Department of Public Safety
Department of Insurance, Financial Institutions & Professional Registration
Department of Mental Health
Missouri State Highway Patrol

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

Mickey Wilson, CPA
Director
April 7, 2008