

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3154-01
Bill No.: HB 1304
Subject: Disabilities; Health Care; Insurance - Medical; Insurance Dept.
Type: Original
Date: January 8, 2010

Bill Summary: Requires health insurance coverage to continue for any child or dependent of an enrollee with Down Syndrome after they reach 18 years of age.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Insurance Dedicated	Up to \$5,000	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$5,000	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation** assume the proposal will have no fiscal impact on their organization.

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds since MDC's insurance plan provides coverage for qualifying dependents beyond age eighteen who are permanently disabled.

Officials from the **Department of Public Safety (DPS) - Director's Office** defer to the Missouri Consolidated Health Care Plan for any potential fiscal impact this proposal may have on their organization.

Officials from the **DPS - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of the proposed legislation on their organization.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the HCP will continue to provide coverage for disabled dependents over age 25 with written documentation of the medical condition. Therefore, this legislation does not fiscally impact the HCP.

Officials from the **Department of Social Services (DOS) - MO HealthNet Division (MHD)** assume this legislation revises private insurance and health plan requirements, but does not change Medicaid eligibility. Therefore, the proposal will have no fiscal impact on the DOS.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** estimate one-time additional revenues of approximately \$5,000 to the Insurance Dedicated Fund from insurers that would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. The exact number of insurers that would have to file policy amendments is unknown.

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 DIFP will need to request additional staff to handle the increase in workload.

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

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
INSURANCE DEDICATED FUND			
<u>Income - DIFP</u>			
Form filing fees	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>Up to \$5,000</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business that provide employees with health insurance coverage if their plans do not currently cover dependents with Down Syndrome and the insurer raises their premium rates.

FISCAL DESCRIPTION

Beginning January 1, 2011, this proposal requires all health insurance carriers to continue to provide coverage to their dependent members with Down Syndrome after they reach 18 years of age. Insurers may not charge additional deductibles or co-insurance than other similar health care services provided by the health plan.

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, Financial Institutions, and Professional Registration
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation

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

Mickey Wilson, CPA
Director
January 8, 2010