

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3249-02
Bill No.: HCS for HB 1495
Subject: Health Care; Insurance - Medical; Insurance Dept.
Type: Original
Date: April 1, 2010

Bill Summary: Amends various requirements regarding health insurance contracts and plans.

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
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$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, Missouri Consolidated Health Care Plan, Department of Insurance, Financial Institutions, and Professional Registration, and Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

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

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Social Services (DOS) - Family Services Division (FSD)** state there would be no fiscal impact to the FSD. The Division of Legal Services and the Human Resource Center under the Department of Social Services may see fiscal costs associated with terminations and hearings. The FSD assumes Division of Legal Services and Human Resource Center will address these costs in their Fiscal Notes.

Current statute addresses the policy that an employee of Department of Social Services shall report abuse or fraud by a recipient of public assistance. Chapter 208, Section 164.3 of the Missouri Statutes gives employees the authority to require prior authorization when it is believed that a provider or recipient of public assistance is knowingly following a course of conduct which has been defined as abuse or fraud. In addition to Section 164.3 of Chapter 208, Section 164.4 protects any provider or recipient who reports knowledge of abuse or fraud being committed by a provider or recipient and requires the reporter's name kept confidential, except at a judicial proceeding where the court has entered a proper protective order.

Chapter 191, Section 908 of the Missouri Statutes reiterates Chapter 208.164.3 by addressing whistleblower protection for an employee who may report abuse or fraud by a recipient of public assistance.

Therefore, there would be zero fiscal impact for the FSD.

ASSUMPTION (continued)

Officials from the **DOS - Division of Legal Services (DLS)** state there may be a significant impact depending on how the courts interpret the reporting requirements; however, the DLS assumes no fiscal impact at the present time.

Officials from the **DOS - Human Resource Center (HRC)** state the DOS already covers mandated reporting situations (child/elderly abuse and suspected abuse or neglect of a "vulnerable person" under the custody, care or control of the Department of Mental Health) in our Work Rules Policy (2-115). Should this legislation be enacted, DOS would revise this policy to include these provisions.

The DOS also has an administrative Policy 2-101(Sexual Harassment/ Inappropriate Conduct) in which we state that "Each supervisor and manager has a responsibility to keep the workplace free of any form of harassment."

Language in the proposal is vague and would be difficult to enforce. For example, language cited in the proposal states that "any department employee" who failed to report the suspected illegal use of a controlled substance by a recipient or potential recipient would be subject to termination. As client records are confidential, staff who do not directly work with the individual would not have direct knowledge if they were a recipient or a potential recipient. The proposal calls for the "immediate termination of employment" for employees that fail to report. All classified employees who are in probationary status have the right to an administrative review of their termination. All classified merit system employees who have successfully completed probation, have the right to internally appeal their termination with another appeal process to the Personnel Advisory Board. These processes do not allow for "immediate" termination.

No fiscal impact from a human resource perspective is anticipated.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</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>
<u>FISCAL IMPACT - Small Business</u>			

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

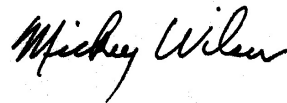
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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
Office of Secretary of State



Mickey Wilson, CPA
Director
April 1, 2010