

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4564-01
Bill No.: HB 2389
Subject: Insurance - Medical
Type: Original
Date: April 6, 2010

Bill Summary: Requires the state high risk pool to offer supplemental health insurance coverage for autism spectrum disorder.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Up to \$18,443,357)	(Up to \$22,132,028)	(Up to \$22,132,028)
Total Estimated Net Effect on General Revenue Fund	(Up to \$18,443,357)	(Up to \$22,132,028)	(Up to \$22,132,028)

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 4 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 **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state based on an Actuarial Cost Estimate conducted by Oliver Wyman in February 2009, the cost of coverage for autism would be an increase of less than 1% of premium in the private insurance market. Based on the actuarial cost estimate of 1,201,000 covered persons and a \$27.10 increase in premium, the cost of autism care in Missouri is estimated at \$32,547,100.

The DIFP assumes the maximum potential cost to the Missouri Health Insurance Pool (MHIP) would be \$32,547,100 as insurers would not likely offer such coverage if it was provided by MHIP. MHIP premiums typically cover 32% of the costs of providing care. Based on this percentage, MHIP premiums for autism would cover \$10,415,028 of the cost. Remaining costs would be assessed to member insurers and taken as a tax credit against the general revenue portion of premium tax due. The estimated annual cost to general revenue would be up to \$22,132,028.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Loss - DIFP</u>			
Reduction in premium taxes collected due to MHIP assessments against health insurance companies	(Up to <u>\$18,443,357</u>)	(Up to <u>\$22,132,028</u>)	(Up to <u>\$22,132,028</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Up to <u><u>\$18,443,357</u></u>)	(Up to <u><u>\$22,132,028</u></u>)	(Up to <u><u>\$22,132,028</u></u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FISCAL IMPACT - Small Business

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

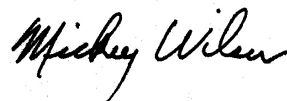
FISCAL DESCRIPTION

This proposal requires the Missouri Health Insurance Pool (MHIP) to establish a program to allow individuals to purchase supplemental health insurance coverage for the diagnosis and treatment of autism spectrum disorder (ASD) under the pool. The coverage must also be offered as a rider to any existing health insurance policy offered under the pool. Coverage must include all care prescribed or ordered by a licensed physician or psychologist including applied behavior analysis (ABA) therapy. The pool must determine the specific coverage for ABA and may impose an age limitation for the therapy. The coverage must comply with all state and federal mandates for health insurance coverage for ASD.

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

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

Mickey Wilson, CPA
Director
April 6, 2010