

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5484-01  
Bill No.: HB 1493  
Subject: Health Care; Disabilities; Insurance - Medical  
Type: Original  
Date: February 20, 2014

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Bill Summary: This proposal requires all health insurance carriers and health benefit plans to provide coverage for the diagnosis and treatment of eating disorders.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown less than \$12,500)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown less than \$12,500)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal Funds	\$0*	\$0*	\$0*
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0*</b>	<b>\$0*</b>	<b>\$0*</b>

\*Income and costs net to zero.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Transportation**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Health and Senior Services**, the **Missouri Department of Conservation**, and the **Missouri Consolidated Health Care Plan** each assume the current proposal would not fiscally impact their respective agencies.

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 **Department of Social Services - MO HealthNet Division (MHD)** assume this legislation does not revise Chapter 208, RSMo; therefore, it does not affect MO HealthNet eligibility or benefits.

This legislation does revise Chapter 376, RSMo. The MO HealthNet Division (MHD) assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants. MHD managed care covered 800 patients with eating disorders in FY13.

The first year cost is for an actuarial study to determine the impact of this requirement on rate ranges to ensure actuarial soundness as required by the Centers for Medicare and Medicaid Services. The cost of the analysis will depend on the complexity of the analysis needed to address this program change. At a minimum, the actuarial study would include a survey of the managed care health plans to determine their current practices related to determining medical necessity for coverage of eating disorders. The health plan criteria may be different from the Practice Guidelines for the Treatment of Patients with Eating Disorders, as most recently published by the American Psychiatric Associations.

The expected utilization change due to the difference in the criteria would determine the fiscal impact to the capitation rates. The cost of the study could be up to \$25,000. It is assumed that capitation rates would increase in year 2 and forward, however, the impact is unknown at this time.

**Oversight** assumes provisions of the proposal would be effective January 1, 2015, the beginning of the benefit period for state employee insurance coverage.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Costs - MHD §376.845</u>			
Program costs for eating disorders	<u>(Unknown less than \$12,500)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown less than \$12,500)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Income - MHD §376.845</u>			
Program reimbursements for eating disorders	Unknown less than \$12,500	Unknown	Unknown
<u>Costs - MHD §376.845</u>			
Program expenditures for eating disorders	<u>(Unknown less than \$12,500)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	<u>FY 2015 (10 Mo.)</u>	<u>FY 2016</u>	<u>FY 2017</u>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Small Business</u>			

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

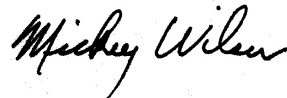
### FISCAL DESCRIPTION

Beginning January 1, 2015, this proposal requires all health insurance carriers or health benefit plans which are issued, delivered, continued, or renewed to provide coverage for the diagnosis and treatment of eating disorders. Coverage must include psychiatric and medical treatment and other treatments as prescribed by a health care professional but cannot be considered as requiring coverage of a mental illness. Services rendered for eating disorder treatments cannot be subject to any greater deductible or co-payment than other health care services provided by a health benefit plan. Certain supplemental insurance policies are not subject to the eating disorder coverage requirements.

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  
Department of Transportation  
Department of Public Safety - Missouri Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Department of Health and Senior Services  
Department of Mental Health



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