

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1130-03  
Bill No.: HCS for HB 399  
Subject: Insurance - Health  
Type: Original  
Date: February 22, 2019

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Bill Summary: This proposal changes the laws regarding health care for persons with disabilities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Insurance Dedicated	Up to \$22,500	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to \$22,500</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>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §376.1224 - Health care for persons with disabilities

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this legislation impacts group major medical policies only. Companies may choose to file a rider under the "other" code to impact multiple lines in one filing. Therefore, it is unknown how many filings the DIFP will receive.

The DIFP estimates up to 150 companies will file one policy amendment each for a total of 150 filings submitted to the department for review along with a \$150 filing fee. Additional revenues to the Insurance Dedicated Fund are estimated to be up to \$22,500 (150 X \$150 = \$22,500).

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 may need to request additional staff to handle increase in workload.

**Oversight** does not have any information contrary to the information provided by DIFP and will reflect one-time revenues up to \$22,500 to the Insurance Dedicated Fund for FY 2020.

Officials from the **City of Keytesville** state the proposal will have a “low” fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Oversight assumes a “low” fiscal impact implies that any costs incurred by the City of Keytesville can be absorbed within current funding levels and will reflect no fiscal impact to the City for fiscal note purposes.

Officials from the **Department of Public Safety(DPS), Missouri State Highway Patrol (MHP)** state the MHP anticipates no fiscal impact from this proposal. The DPS, MHP defers to the MoDOT/ MSHP Medical Plan for its response.

Officials from the **Department of Health and Senior Services, the Department of Mental Health, the Department of Social Services, the Missouri Consolidated Health Care Plan, the Missouri Department of Conservation, the Missouri Department of Transportation** and the **City of Kansas City** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

In response to similar legislation from the current session (SB 45), officials from the **St. Louis County Department of Public Health** assumed the proposal would not fiscally impact their organization.

As **Oversight** has no information contrary to that provided by the agencies above, Oversight will present no fiscal impact in the fiscal note for these organizations.

In response to the previous version of this legislation, officials from the **City of Columbia (Columbia)** stated, based on conversations with their benefits consultant, that the additional claims cost estimate for its medical health plan could be \$40,000 per year. The added coverage was calculated at 0.5% (one-half of one percent) on only medical (excluding Rx) claims cost. The cost of prescriptions is unknown, but it is expected Columbia would see some sort of increase. Depending on the number of eligible participants in the plan, this estimate could be higher or lower. If significantly higher, city contributions and participant premiums could increase in future years, but there is no way to estimate the impact at this point. In addition, there is no way to determine who might use the benefit.

**Oversight** does not have any information contrary to the information provided by the City of Columbia. Oversight will assume there could be other political subdivisions that may incur higher insurance costs if their current plan does not have coverage for “treatment of symptoms and behaviors for individuals with physical or developmental disabilities” but are required to with the passage of this bill. Therefore, Oversight will reflect a potential unknown cumulative cost to political subdivisions.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP (§376.1224)</u>			
Form filing fees	<u>Up to \$22,500</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND</b>	<b><u>Up to \$22,500</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>LOCAL GOVERNMENTS</b>			
<u>Costs - Local County Governments (§376.1224)</u>			
Increase in health care plan expenditures to cover treatment of symptoms and behaviors for individuals with physical or developmental disabilities	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>	<b><u>\$0 to (Unknown)</u></b>

FISCAL IMPACT - Small Business

This proposal could impact small businesses that provide insurance coverage to their employees if the cost of the insurance increases upon passage of this proposal.

FISCAL DESCRIPTION

This bill prohibits any third-party payer for health care services from limiting coverage or denying reimbursement for treatment for physical, cognitive, emotional, mental, or developmental disabilities in specified situations.

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 Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Public Safety -  
    Missouri State Highway Patrol  
Department of Social Services  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Department of Transportation  
City of Columbia  
City of Kansas City  
City of Keytesville  
St. Louis County Department of Public Health



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