

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2161-03
Bill No.: HCS for HB 1030
Subject: Insurance - Health
Type: Original
Date: April 11, 2019

Bill Summary: This proposal establishes the “Missouri Health Insurance Innovation Task Force.”

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Insurance Dedicated Fund (0566)	(\$260,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$260,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 376.1180 and 376.1182

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate meeting and associated travel costs of the Task Force members not to exceed \$10,000.

The department also estimates the costs of an actuarial review to be approximately \$250,000. DIFP assumed the costs to be expended from the Insurance Dedicated Fund.

Oversight notes that the DIFP has stated the proposal would have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect DIFP estimates.

Officials from the **Missouri Senate (SEN)** anticipate a cost of \$294 to reimburse travel for 3 senators to attend task force meetings.

Oversight assumes the travel expenses of the Senators to be included in the \$10,000 estimate for the task force members provided by DIFP.

In response to a previous version, officials from the **Missouri House of Representatives (MHR)** assumed this proposal will have no fiscal impact on their agency. MHR assumes any expenses incurred by members serving on the task force can be absorbed.

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

Oversight notes that the MHR and the DSS has stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight notes the task force is required to issue a final report by December 31, 2019; therefore, Oversight will only reflect costs of the task force in FY 2020.

<u>FISCAL IMPACT - State Government</u>	FY 2020	FY 2021	FY 2022
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INSURANCE DEDICATED FUND

Cost - DIFP

Travel cost for Task Force Members	(\$10,000)	\$0	\$0
Actuarial Review	(\$250,000)	\$0	\$0
<u>Total Cost - DIFP</u>	<u>(\$260,000)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT TO THE INSURANCE DEDICATED FUND	<u>(\$260,000)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020	FY 2021	FY 2022
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill creates the "Missouri Health Insurance Innovation Task Force." The purpose of the task force is to solicit concepts on potential forms of innovation in the health insurance marketplace which may qualify the state for a Section 1332 Innovation Waiver. The task force's focus will be on improving access to health care, decreasing premiums, and increasing the number of health carriers available in the state's health insurance market.

The members of the task force must be appointed within 30 days of the effective date of the bill and must hold its first meeting within 15 days. The members include three members appointed by the Speaker of the House and three member appointed by the Senate Pro Tem. The task force must release a final report by December 31, 2019. Any recommendations must be revenue neutral to the General Revenues of the state.

The Department of Insurance, Financial Institutions and Professional Registration may work with the task force and with the Centers for Medicare and Medicaid Services to develop innovative ways to transform the health insurance market and submit applications for a Section 1332 Innovation Waiver.

FISCAL DESCRIPTION (continued)

The department may perform functions which are ancillary to and currently performed by the federally facilitated marketplace if the functions will further the objective of creating alternatives to the Affordable Care Act or are consistent with the objectives and final recommendations of the task force.

The General Assembly shall, by May 31, 2020, authorize the director to apply to the Centers for Medicare and Medicaid Services for an approval of a Section 1332 Innovation Waiver. The director shall apply by December 31, 2020, or as soon as practicable thereafter..

This bill contains an emergency clause.

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 House of Representatives
Missouri Senate



Kyle Rieman
Director
April 11, 2019

Ross Strobe
Assistant Director
April 11, 2019