

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4649-01  
Bill No.: HB 1974  
Subject: Insurance - Health; Contracts and Contractors  
Type: Original  
Date: February 25, 2020

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Bill Summary: This proposal establishes the “Missouri Any Willing Provider Act.”

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue Fund	(Could Exceed \$61,800)	(Could Exceed \$61,800)	(Could Exceed \$61,800)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could Exceed \$61,800)</b>	<b>(Could Exceed \$61,800)</b>	<b>(Could Exceed \$61,800)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Other State Funds	(Could Exceed \$23,470)	(Could Exceed \$23,470)	(Could Exceed \$23,470)
State Road Fund (0320)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Conservation Commission Fund (0609)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Could Exceed \$23,470)</b>	<b>(Could Exceed \$23,470)</b>	<b>(Could Exceed \$23,470)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Federal Funds	(Could Exceed \$14,730)	(Could Exceed \$14,730)	(Could Exceed \$14,730)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Could Exceed \$14,730)</b>	<b>(Could Exceed \$14,730)</b>	<b>(Could Exceed \$14,730)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state it appears from the text of this legislation that an arrangement for a health care shopping program, which puts a monetary incentive on low cost provider versus a high cost provider would not be allowed.

MCHCP is in the very beginning stages of such a program having just started on January 1, 2020. The savings from the new program have not yet been calculated. Based on other states' experience of this program, MCHCP should have a savings of unknown but greater than \$100,000. Therefore; should this legislation pass, there would be a loss of savings, unknown, but greater than \$100,000.

**Oversight** will reflect a loss of could exceed \$100,000 to General Revenue (61.80%), Federal Funds (23.47%) and Other State Funds (14.73%) as a result of the changes in this proposal.

Officials from the **Department of Transportation (MoDOT)** state under the bill's definition of "Health Care Insurer," Anthem and MedImpact would likely be considered health care insurers, as they are a third-party administrator and Pharmacy Benefit Manager under RSMo 376.2024(2)(4)(f-g). The definition of "health benefit plan" is quite broad and doesn't make reference to the definitions in 376.1350. The Plan would likely be considered a "health benefit plan" since it is an entity that provides reimbursement for health care services.

If the bill does not apply to the plan, it of course would result in no fiscal impact to MoDOT. If it does, however, the bill would result in an unknown negative fiscal impact.

Since it is unclear whether this proposal would apply to MoDOT's (or Missouri Department of Conservation's) health care plans, **Oversight** assumes the fiscal impact to both MoDOT and the MDC could be anywhere from zero to a negative unknown amount. Oversight also assumes this could apply to some local political subdivisions. Therefore, Oversight will range the fiscal impact from \$0 (the legislation does not apply) to negative unknown to the State Road Fund (0320), the Conservation Commission Fund (0609) and local political subdivisions.

Officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Social Services**, the **Department of Mental Health** and the **Missouri Department of Conservation** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Department of Transportation to estimate the fiscal impact of the proposed legislation on their respective organization.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and 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 office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

FISCAL IMPACT - State Government	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>GENERAL REVENUE FUND</b>			
Loss - MCHCP Discontinued Low Cost Provider Program	(Could Exceed \$61,800)	(Could Exceed \$61,800)	(Could Exceed \$61,800)
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(Could Exceed \$61,800)</b>	<b>(Could Exceed \$61,800)</b>	<b>(Could Exceed \$61,800)</b>
<b>FEDERAL FUNDS</b>			
Loss - MCHCP Discontinued Low Cost Provider Program	(Could Exceed <u>\$23,470</u> )	(Could Exceed <u>\$23,470</u> )	(Could Exceed <u>\$23,470</u> )
<b>ESTIMATED NET EFFECT TO FEDERAL FUNDS</b>	<b>(Could Exceed <u>\$23,470</u>)</b>	<b>(Could Exceed <u>\$23,470</u>)</b>	<b>(Could Exceed \$23,470)</b>
<b>OTHER STATE FUNDS</b>			
Loss - MCHCP Discontinued Low Cost Provider Program	(Could Exceed <u>\$14,730</u> )	(Could Exceed <u>\$14,730</u> )	(Could Exceed <u>\$14,730</u> )
<b>ESTIMATED NET EFFECT TO OTHER STATE FUNDS</b>	<b>(Could Exceed <u>\$14,730</u>)</b>	<b>(Could Exceed <u>\$14,730</u>)</b>	<b>(Could Exceed \$14,730)</b>
<b>STATE ROAD FUND (0320)</b>			
Cost - MoDOT Health Care Insurers	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE STATE ROAD FUND (0320)</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

FISCAL IMPACT - State Government  
 (continued)

FY 2021  
 (10 Mo.)

FY 2022

FY 2023

**CONSERVATION COMMISSION  
 FUND (0609)**

Cost - MDC  
 Health Care Insurers

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT TO THE  
 CONSERVATION COMMISSION  
 FUND (0609)**

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

FISCAL IMPACT - Local Government

FY 2021  
 (10 Mo.)

FY 2022

FY 2023

**LOCAL POLITICAL SUBDIVISIONS**

Cost - Local Political Subdivisions  
 Health Care Insurers

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT TO  
 LOCAL POLITICAL SUBDIVISIONS**

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

**\$0 or**  
**(Unknown)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Missouri Any Willing Provider Act". A health care insurer shall not, directly or indirectly impose a monetary advantage or penalty under a health benefit plan that would affect the ability of a beneficiary to select among the health care providers participation in the health benefit plan.

If a plan institutes measures designed to maintain quality and to control costs such as utilization of a gatekeeper system, such measures shall be imposed equally on all providers in the same class.

FISCAL DESCRIPTION (continued)

The act shall not be construed to require providers to participate in the provisions of services for a health maintenance organization or take away the authority of health maintenance organizations that provide coverage of physician services to set the terms and conditions for participation by institutes, though health maintenance organizations and shall apply the terms and conditions in a nondiscriminatory manner.

Nothing in the bill shall be construed to cover or regulate health care provider networks offered by noninsurers. If an employer sponsoring a self-insured health benefit plan contracts directly with providers or contracts for a health care provider network, this section shall not apply or if a health insurer subcontracts with a noninsurer whose health care network does not meet the requirements of this section, then the noninsurer may create a separate health care provider network that meets the requirements of this section. If the noninsurer chooses not to create the separate health care provider network, then the responsibility for compliance with this section shall be the obligation of the health insurer to the extent permitted by the Employee Retirement Income Security Act of 1974, as amended.

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

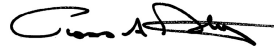
Department of Commerce and Insurance  
Department of Health and Senior Services  
Department of Social Services  
Department of Mental Health  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Department of Transportation  
Department of Public Safety  
Missouri Highway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

SOURCES OF INFORMATION (continued)

Office of the Secretary of State  
Joint Committee on Administrative Rules



Julie Morff  
Director  
February 25, 2020



Ross Strobe  
Assistant Director  
February 25, 2020