

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5060-01
Bill No.: HB 2255
Subject: Medicaid/MO HealthNet; Dentists; Insurance - Health
Type: Original
Date: March 10, 2020

Bill Summary: This proposal requires insurance companies, including MO HealthNet, to cover medically necessary dental procedures that are a result of cancer treatments.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| General Revenue | Greater than (\$153,159) | Greater than (\$306,317) | Greater than (\$306,317) |
| Total Estimated Net Effect on General Revenue | Greater than (\$153,159) | Greater than (\$306,317) | Greater than (\$306,317) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| State Road (0320) | More or Less than (\$123,500) | More or Less than (\$247,500) | More or Less than (\$247,500) |
| Other State | Greater than (\$36,515) | Greater than (\$73,030) | Greater than (\$73,030) |
| Total Estimated Net Effect on <u>Other</u> State Funds | Could exceed (\$160,015) | Could exceed (\$320,530) | Could exceed (\$320,530) |

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

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| Federal | Greater than (\$60,326) | Greater than (\$120,653) | Greater than (\$120,653) |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | Greater than (\$60,326) | Greater than (\$120,653) | Greater than (\$120,653) |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| | | | |
| 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 2021 | FY 2022 | FY 2023 |
| Local Government | (Unknown) | (Unknown) | (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state this proposal requires insurance companies, including MO HealthNet, to cover medically necessary dental procedures that are a result of cancer treatments.

MCHCP offers a limited dental benefit limited to \$2,000 through a separate dental contract. In the primary medical plan, MCHCP provides coverage of dental implants for cancer patients but does not extend coverage to other dental services for the cancer patient. Adding additional services in the medical plan will be an additional cost to MCHCP. MCHCP estimates the cost to be unknown but greater than \$500,000 annually.

Oversight assumes the provisions of this proposal would be effective with the start of the new plan year, January 1, 2021. Oversight will split the estimated costs of this proposal to MCHCP between General Revenue (61.26% or \$306,317), Other Funds (14.61% or \$73,030), and Federal Funds (24.13% or \$120,653).

Officials from the **Missouri Department of Transportation (MoDOT)** state this legislation requires health insurance policies issued in Missouri to cover medically necessary dental procedures that result directly or indirectly from cancer treatments. Since this legislation mandates coverage of a specific health benefit, it would apply to the MoDOT/MSHP plan pursuant to RSMO 104.801.

The resulting fiscal impact would be negative and unknown.

Oversight notes that in response to a similar proposal from 2019 (HB 808), MoDOT stated, based on the information provided, the proposal would result in a negative fiscal impact of approximately \$20,000 per month or \$247,500 per calendar year.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a cost to MoDOT of more or less than \$247,500 for fiscal note purposes.

Officials from the **Department of Public Safety, Missouri State Highway Patrol (MHP)** defer to MoDOT, Employee Benefits Section for response on behalf of the Highway Patrol. MoDOT's fiscal note response will include the potential fiscal impact of this proposal to MHP.

ASSUMPTION (continued)

Oversight notes the **Department of Commerce and Insurance**, the **Department of Social Services** and **Missouri Department of Conservation** have 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 in the fiscal note for these organizations.

Oversight will also assume local political subdivisions may pay more for their health insurance as a result of this proposal.

| | | | |
|---|--------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2021 (6 Mo.) | FY 2022 | FY 2023 |
|---|--------------------|---------|---------|

GENERAL REVENUE FUND

Costs - MCHCP (§376.1067)

| | | | |
|--|---|---|---|
| Increase in state share of health insurance premiums | <u>Greater than</u> <u>(\$153,159)</u> | <u>Greater than</u> <u>(\$306,317)</u> | <u>Greater than</u> <u>(\$306,317)</u> |
|--|---|---|---|

| | | | |
|---|---|---|---|
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | <u>Greater than</u> <u>(\$153,159)</u> | <u>Greater than</u> <u>(\$306,317)</u> | <u>Greater than</u> <u>(\$306,317)</u> |
|---|---|---|---|

STATE ROAD FUND

Costs - MoDOT

| | | | |
|---|--|--|--|
| Increase in share of insurance premiums | <u>More or Less</u> <u>than (\$123,500)</u> | <u>More or Less</u> <u>than (\$247,500)</u> | <u>More or Less</u> <u>than (\$247,500)</u> |
|---|--|--|--|

| | | | |
|--|--|--|--|
| ESTIMATED NET EFFECT ON THE STATE ROAD FUND | <u>More or Less</u> <u>than (\$123,500)</u> | <u>More or Less</u> <u>than (\$247,500)</u> | <u>More or Less</u> <u>than (\$247,500)</u> |
|--|--|--|--|

OTHER STATE FUNDS

Costs - MCHCP (§376.1067)

| | | | |
|--|--|--|--|
| Increase in state share of health insurance premiums | <u>Greater than</u> <u>(\$36,515)</u> | <u>Greater than</u> <u>(\$73,030)</u> | <u>Greater than</u> <u>(\$73,030)</u> |
|--|--|--|--|

| | | | |
|--|--|--|--|
| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | <u>Greater than</u> <u>(\$36,515)</u> | <u>Greater than</u> <u>(\$73,030)</u> | <u>Greater than</u> <u>(\$73,030)</u> |
|--|--|--|--|

| <u>FISCAL IMPACT - State Government</u> | FY 2021 (6 Mo.) | FY 2022 | FY 2023 |
|--|--|---|---|
| FEDERAL FUNDS | | | |
| <u>Costs - MCHCP (\$376.1067)</u> | | | |
| Increase in state share of health insurance premiums | <u>Greater than</u> <u>(\$60,326)</u> | <u>Greater than</u> <u>(\$120,653)</u> | <u>Greater than</u> <u>(\$120,653)</u> |
| ESTIMATED NET EFFECT ON FEDERAL FUNDS | <u>Greater than</u> <u>(\$60,326)</u> | <u>Greater than</u> <u>(\$120,653)</u> | <u>Greater than</u> <u>(\$120,653)</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2021 (10 Mo.) | FY 2022 | FY 2023 |
|---|-------------------------|-------------------------|-------------------------|
| LOCAL POLITICAL SUBDIVISIONS | | | |
| <u>Cost - Increase in LPS' share of health insurance premiums</u> | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |

FISCAL IMPACT - Small Business

This proposal would impact small businesses that provide health insurance to their employees if the cost of the insurance increases.

FISCAL DESCRIPTION

This bill requires MO HealthNet and insurance companies to provide coverage for medically necessary dental procedures that are the direct or indirect result of cancer treatment (§§208.152 and 376.1067).


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 Public Safety - Missouri Highway Patrol
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation



Julie Morff
Director
March 10, 2020



Ross Strobe
Assistant Director
March 10, 2020