

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0275H.01I
Bill No.: HB 681
Subject: Education, Higher
Type: Original
Date: February 3, 2021

Bill Summary: This proposal specifies that public institutions of higher education shall not require their students to pay fees related to health care if they show proof of health insurance coverage.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
College & University Funds	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

☐ FORMCHECKBOX Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** **assume** the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DHEWD.

Officials from **Missouri State University** assume this proposal would have a negative fiscal impact of an undetermined amount on Missouri State University.

In response to a similar proposal, HB 436 (2019), officials from **Missouri State University** assumed this proposal would have a negative fiscal impact on the University of greater than \$3 million.

Officials from the **University of Missouri System (UM)** assume this proposed legislation could negatively impact the University of Missouri revenue and student services in an amount of over \$7.5 million. Please consider the following as reasons for keeping the existing fees:

- Only International students are required to have insurance
- The student health fees we assess are not insurance
- The universities have health centers that provide a variety of services and are funded by student fees. Many of these services help ensure a healthy and safe campus such as:
- Monitoring vaccine preventable diseases such as meningococcal meningitis, measles, mumps, and rubella and tuberculosis (TB) screening and that may not be reimbursable through insurance.
- In addition, insurance does not reimburse for activities related to campus infectious disease outbreaks – coordinating with state and county public health officials and other campus health officials, quarantining as necessary/appropriate, mass immunization clinics, work with news and other departments to prepare communications to students, parents and the community, etc.
- Providing behavioral health services, including visits with licensed professionals (i.e.: psychologist, psychiatrist, licensed clinical social worker).
- Open year round and supports access to trained nurses 24/7, and scheduling in primary care for same or next day appointments.
- Stress reduction strategies including health coaching, skill-building classes, alcohol responsibility and mindfulness practices.
- The Student Health Center staff have been on the frontline of leading the response to Covid-19, managing the campus testing and contact tracing process, when vaccines are available, we assume they will lead student facing vaccination clinics similar to flu shots.

Officials from the **University of Central Missouri** state the current language is very broad and would have a significant negative fiscal impact on the University of Central Missouri in the reduction of student health fees and unreimbursed costs.

In response to a similar proposal, HB 436 (2019), officials from **Missouri Western State University (MWSU)** assume this could negatively impact the university. MWSU does not collect a “fee” for health care services, however, we do charge for services provided. The statute is unclear as to whether we can charge for services if the insurance does not cover the cost such as deductibles, co-pays and payments refused by the insurance company. The amount of impact is impossible to determine at this time.

Officials from the **St. Charles Community College** and **State Technical College of Missouri** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes this proposal would allow a student with existing health insurance coverage to be excused from joining a public college or universities' health care and health insurance plan. Additionally, this proposal would excuse the student from the payment of fees, costs, or related expenses imposed by the institutions for health care. Oversight notes this proposal allows the institutions to offer a health insurance plan to students who are not covered under another plan.

Oversight found that the University of Missouri, Missouri State University and University of Central Missouri require international students to enroll in the institution's health insurance plan. The institutions only require international students to enroll in the University's health insurance plan (with waivers for eligible students). These institutions have no requirements for domestic students.

Oversight notes that some of the institutions run health care clinics funded through student fees. Oversight assumes this proposal would excuse a student from paying any fees, costs, or related expenses imposed by the institutions for the provision of health care if the student shows proof of existing insurance. Oversight will show an impact to colleges and universities as could exceed \$10.5 million in lost revenue which is the amount reported by University of Missouri System and Missouri State University.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
COLLEGE & UNIVERSITY FUNDS			
Revenue (Loss) - fees for health services	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)	(Could exceed \$10,500,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

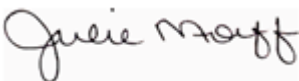
This bill specifies that any student who shows proof of existing health insurance coverage to a public institution of higher education is excused from paying any fees, costs, or related expenses imposed by the institution for the provision of health care or health insurance.

These provisions do not preclude public institutions of higher education from offering students health insurance coverage and student health services and charging fees for such coverage and services.

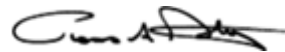
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development
Missouri State University
University of Missouri System
University of Central Missouri
Missouri Western State University
State Technical College of Missouri
St. Charles Community College



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Director
February 3, 2021



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February 3, 2021