

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1860H.01I
Bill No.: HB 889
Subject: Insurance - Health; Mental Health
Type: Original
Date: April 9, 2021

Bill Summary: This proposal modifies provisions relating to insurance coverage for mental health conditions.

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
Other State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

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

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

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** state that their current health plan uses many non-quantitative treatment limitations for all conditions, including mental health. Limiting those, or removing those would result in a potential unknown negative fiscal impact. The estimated increase in cost to the Medical Plan is \$250,000 per year into perpetuity.

Oversight assumes because the MoDOT current health plans have non-quantitative treatment limitations on mental health conditions, the fiscal impact on Other State Funds could be anywhere from zero to an unknown amount. Oversight also assumes some local political subdivisions may have limitations on mental health conditions as well. Therefore, Oversight will range the fiscal impact from \$0 to negative unknown to Other State Funds and to local political subdivisions.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume the proposal will have no fiscal impact on their organization as MCHCP does not impose limits on mental health that are not imposed on medical and/or surgical services.

Oversight notes that the MCHCP has 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 for this agency.

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

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 for these agencies.

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 organization.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
OTHER STATE FUNDS			
<u>Cost - Potential additional insurance coverage for mental health conditions</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost - Potential additional insurance coverage for mental health conditions</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT – Small Business

A fiscal impact to small businesses for health insurance coverage would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act specifies that all health benefit plans, rather than health benefit plans that do not otherwise provide for management of care under the plan or that do not provide for the same degree of management of care for all health conditions, may provide coverage for treatment of mental health conditions through a managed care organization provided the health benefit plan is in compliance with certain rules set by the Department of Commerce and Insurance. (Section 376.1550.1(3)).

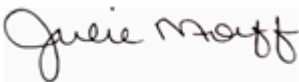
The act repeals a provision requiring coverage for chemical dependency treatment to comply with certain statutes relating to individual coverage for alcoholism and chemical dependency, and repeals a provision making those statutes applicable to group policies. (Section 376.1550.1(4)).

Under the act, no health benefit plan shall impose a nonquantitative treatment limitation, as defined in the act, with respect to mental health condition benefits of any classification unless the standards are applied no more stringently to mental health condition benefits than to medical or surgical benefits in the same classification. (Section 376.1550.1(4)).


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



Julie Morff
Director
April 9, 2021



Ross Strobe
Assistant Director
April 9, 2021