

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5388-01  
Bill No.: SB 1272  
Subject: Insurance - Medical; Health Care Professionals; Insurance Dept.; Health Dept.  
Type: Original  
Date: April 3, 2008

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Bill Summary:           Governs the treatment of quality of care data between health carriers and health care providers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan, Department of Insurance, Financial Institutions and Professional Registration, Missouri Department of Transportation, and Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Public Safety (DPS) - Director's Office** defer to the Missouri Consolidated Health Care Plan for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Department of Social Services - MO HealthNet Division** assume there would be no fiscal impact to their organization. Administration and enforcement are the responsibility of the Department of Insurance, Financial Institutions and Professional Registration and Department of Health and Senior Services.

Officials from the **Department of Mental Health (DMH)** state that while the DMH does distribute to the public quality of care data, it is not considered a health carrier under the regulation of Chapter 376, RSMo. Since the Department assumes section 376.1405.3 does not apply to the DMH, there would be no fiscal impact. If this assumption is incorrect, then there would be a fiscal impact of an unknown amount.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules is less than \$2,500. The SOS 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Health and Senior Services (DOH)** state Section 376.1405.7 of the proposed legislation requires the DOH to investigate complaints of alleged violations of this section by any person or entity other than a health carrier. If the complaint is against an

ASSUMPTION (continued)

individual practitioner, the DOH would have no authority. The violations referred to in this section do not seem to be clinical or regulatory in nature. Instead, they appear to be concerned more with financial issues or the relationship between health carriers and health care providers.

The definition for “health care provider” in Section 376.1405.1(1), is a health care professional or a facility. The DOH does not license health care professionals. A “facility” as further defined in 376.1350(16) includes many types of health care settings that are not under the regulatory charge of the DOH.

The DOH is not able to determine how many complaints would be received that would require investigation. Therefore, the DOH is unable to determine the fiscal impact of this proposal and assumes the fiscal impact to be unknown.

Section 376.1405.7 of the proposal gives the DOH the authority to levy a civil fine not to exceed \$1,000. The amount of fines to be collected cannot be determined.

**Oversight** assumes the DOH can conduct the additional investigations arising from this proposal with current resources. However, if the number of investigations is significant, the DOH can request additional funding through the appropriations process,

**Oversight** assumes the potential civil fines that may be levied by the DOH against health care professionals will be minimal and is not presenting the fine revenue in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may have a fiscal and administrative impact on small business health care providers if complaints are received against them and if the DOH imposes civil penalties.

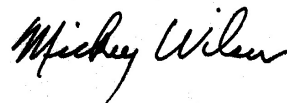
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Missouri Department of Transportation  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Health and Senior Services  
Department of Social Services  
Department of Public Safety -  
    Director's Office  
    Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
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