

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1203-03
Bill No.: SB 410
Subject: Insurance - General; Health Care Professionals; Insurance Dept.; Liability
Type: Original
Date: March 30, 2009

Bill Summary: Modifies various laws governing medical malpractice insurance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	Unknown greater than \$29,575	Unknown greater than \$35,490	Unknown greater than \$35,490
Total Estimated Net Effect on General Revenue Fund	Unknown greater than \$29,575	Unknown greater than \$35,490	Unknown greater than \$35,490

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Federal	0*	0*	0*
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0*	\$0*	\$0*

* Savings and losses greater than \$64,000 annually and net to\$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General, Office of Administration (COA) - Administrative Hearing Commission, COA - Division of General Services/Risk Management, Office of State Courts Administrator, Department of Insurance, Financial Institutions and Professional Registration, Missouri Consolidated Health Care Plan, Missouri Department of Transportation, and Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

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 (DOS)- MO HealthNet Division (MHD)** state based on the report that will be provided to the DOS, the MHD will be able to pursue the information provided as a lead in a malpractice recovery case. This would potentially increase recoveries for the MHD. Therefore, the fiscal impact to the MHD is an unknown savings greater than \$100,000 per year.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Savings - DOS</u>			
Increase in claims recoveries	<u>Unknown</u> <u>greater than</u> <u>\$29,575</u>	<u>Unknown</u> <u>greater than</u> <u>\$35,490</u>	<u>Unknown</u> <u>greater than</u> <u>\$35,490</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Unknown</u> <u>greater than</u> <u>\$29,575</u>	<u>Unknown</u> <u>greater than</u> <u>\$35,490</u>	<u>Unknown</u> <u>greater than</u> <u>\$35,490</u>

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
FEDERAL FUNDS			
<u>Savings - DOS</u>			
Increase in claims recoveries	Unknown greater than \$53,758	Unknown greater than \$64,510	Unknown greater than \$64,510
<u>Loss - DOS</u>			
Reduction in federal reimbursement received due to claims recoveries	<u>(Unknown greater than \$53,758)</u>	<u>(Unknown greater than \$64,510)</u>	<u>(Unknown greater than \$64,510)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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 proposal modifies various provisions relating to the laws governing medical malpractice insurance.

This proposal provides a definition for the term "claim" as it is used in the medical malpractice insurance claims reporting provisions. The proposal also provides a definition for the term "self-insurer" for those provisions as the proposal subjects persons and other entities that assume liability for the payment of medical malpractice claims to the data and claims reporting provisions of Sections 383.100 to 383.125 (Section 383.100).

Under the proposal, the director must submit certain information to appropriate health care licensing boards. The director must also submit a report containing certain medical malpractice claims information to the Department of Social Services so that it can determine whether the injured party was concurrently enrolled in Mo HealthNet when the alleged malpractice occurred.

FISCAL DESCRIPTION (continued)

The proposal institutes new confidentiality rules related to the disclosure of data related to the medical malpractice claim information submitted to the director. All medical malpractice claims data submitted to the director shall be considered confidential and immune from Sunshine Law requests.

The medical malpractice premium, loss and exposure data reported to the director is deemed confidential information under the proposal and is not discoverable or admissible as evidence in any legal action in any civil, criminal, or administrative proceeding, nor shall any of the data be released by the director to the public.

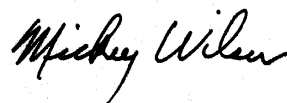
The proposal also deems the data collected by the department to be a trade secret. As a trade secret, the submitted data is immune from Sunshine Law requests. The proposal also deems the data collected by the department to be proprietary and confidential (Section 383.106).

This act extends the sunset provision on the Health Care Stabilization Fund Feasibility Board from December 31, 2010, to December 31, 2012 (Section 383.250).

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

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
 General Services/Risk Management
Office of State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation



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