

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2084-01  
Bill No.: SB 425  
Subject: Insurance - Medical; Health Care Professionals; Dentists  
Type: Original  
Date: April 17, 2009

---

Bill Summary: Requires health insurance policies to cover dental care services for pregnant women.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$97,109)	(\$194,219)	(\$194,219)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$97,109)</b>	<b>(\$194,219)</b>	<b>(\$194,219)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Insurance Dedicated	Up to \$5,600	\$0	\$0
Road	(Unknown less than \$50,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
Other	(\$17,393)	(\$34,785)	(\$34,785)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown less than \$67,393)</b>	<b>(Unknown less than \$134,785)</b>	<b>(Unknown less than \$134,785)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Federal	(\$30,437)	(\$60,875)	(\$60,875)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$30,437)</b>	<b>(\$60,875)</b>	<b>(\$60,875)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</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 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>(\$2,641)</b>	<b>(\$5,281)</b>	<b>(\$5,281)</b>

---

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds since it does not appear to apply to self-insured plans.

Officials from the **Department of Public Safety - 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 Insurance, Financial Institutions and Professional Registration (DIFP)** estimate up to 90 insurers and 22 HMOs (from 2007 supplemental data reports) would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$5,600.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the DIFP will need to request additional staff to handle the increase in workload.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state they currently administer an optional dental insurance plan that covers various dental services. This optional policy is available to all active members. Mandating services adds costs to the plan. The cost of adding the current optional dental plan to HCP's health insurance offering would add \$24.45 per member per month.

For the 12 month period of October 2007 through September 2008, 988 state members and 18 public entity members delivered children. If all of these covered women were required to have dental coverage, the HCP would incur an additional cost of \$289,879 per year for state members and \$5,281 per year for Public Entity members. The HCP would require additional appropriations to the FY 10 budget and each subsequent year thereafter to cover these costs.

**Oversight** is unable to determine how much of the costs provided above would be paid for by increases in the employees' share of health insurance premiums. Therefore, **Oversight** assumes the entire costs will be paid for by the state.

ASSUMPTION (continued)

Officials from the **Missouri Department of Transportation (DOT)** state the proposed legislation requires health care plans to cover dental services for all pregnant women. Dental care services would include, but not be limited to, services related to the treatment of periodontal disease and dental care disease for pregnant women.

Currently the DOT/Missouri State Highway Patrol (MHP) Medical Plan does not cover dental services, the DOT/MHP employees have the option to join Missouri Consolidated Health Care Plan (HCP) dental insurance. The HCP dental coverage provides two preventative cleanings per calendar year for its members and offers two additional cleanings per calendar year for pregnant women.

The actuary for the DOT/MHP Medical Plan (Plan), Watson Wyatt Worldwide, has researched the fiscal impact if the Plan is required to provide this coverage. Watson Wyatt calculated that this could cause approximately a 0.1%-0.2% increase in claims to the Plan. This estimate assumes that two dental cleanings are covered for pregnant women, periodontal disease and dental care disease are covered for pregnant women, and fillings, crowns, dentures, orthodontics, etc. are not covered.

The proposed legislation would allow many more services to be covered. If more services were to be covered, there would be a greater impact on claims to the plan. However, depending on what services are covered, the DOT anticipates a fiscal impact that is unknown, but less than \$100,000 annually.

**Oversight** assumes the proposal would become effective for state health plans January 1, 2010.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (6 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
<u>Costs - HCP</u>			
Increase in state share of employee insurance costs	<u>(\$97,109)</u>	<u>(\$194,219)</u>	<u>(\$194,219)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$97,109)</u></b>	<b><u>(\$194,219)</u></b>	<b><u>(\$194,219)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2010 (6 Mo.)	FY 2011	FY 2012
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - DIFP</u>			
Form filing fees	<u>Up to \$5,600</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>Up to \$5,600</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>ROAD FUND</b>			
<u>Costs - DOT</u>			
Increase in share of health insurance costs for dental coverage for pregnant women	<u>(Unknown less than \$50,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
<b>ESTIMATED NET EFFECT ON ROAD FUND</b>	<b><u>(Unknown less than \$50,000)</u></b>	<b><u>(Unknown less than \$100,000)</u></b>	<b><u>(Unknown less than \$100,000)</u></b>
<b>OTHER STATE FUNDS</b>			
<u>Costs - HCP</u>			
Increase in state share of employee insurance costs	<u>(\$17,393)</u>	<u>(\$34,785)</u>	<u>(\$34,785)</u>
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b><u>(\$17,393)</u></b>	<b><u>(\$34,785)</u></b>	<b><u>(\$34,785)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Costs - HCP</u>			
Increase in state share of employee insurance costs	<u>(\$30,437)</u>	<u>(\$60,875)</u>	<u>(\$60,875)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>(\$30,437)</u></b>	<b><u>(\$60,875)</u></b>	<b><u>(\$60,875)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>ALL LOCAL GOVERNMENTS</b>			
<u>Costs - All Local Governments</u>			
Increase in local government's share of employee health insurance premiums	<u>(\$2,641)</u>	<u>(\$5,281)</u>	<u>(\$5,281)</u>
<b>ESTIMATED NET EFFECT ON ALL LOCAL GOVERNMENTS</b>	<b><u>(\$2,641)</u></b>	<b><u>(\$5,281)</u></b>	<b><u>(\$5,281)</u></b>

FISCAL IMPACT - Small Business

This proposal could result in higher premium costs for small businesses that provide health insurance coverage for employees.

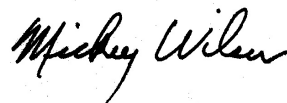
FISCAL DESCRIPTION

This proposal requires health carriers to provide coverage to pregnant women for dental care services delivered by licensed dentists. Under the proposal, dental care services shall also include services related to the treatment of periodontal disease and dental care disease. The dental care services shall not be subject to greater deductibles or co-payments than other similar health care services provided under a health benefit plan.

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 Insurance, Financial Institutions and Professional Registration  
Missouri Department of Transportation  
Department of Public Safety -  
Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation



L.R. No. 2084-01  
Bill No. SB 425  
Page 7 of 7  
April 17, 2009

Mickey Wilson, CPA  
Director  
April 17, 2009

HW-C:LR:OD