

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0911-01
Bill No.: Perfected HB 270
Subject: Insurance - Medical; State Employees; Federal - State Relations
Type: Original
Date: April 4, 2011

Bill Summary: Changes the required state health insurance benefits to be provided to Medicare-eligible participants in the plan.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$466,875 to \$933,750	\$933,750 to \$1,867,500	\$933,750 to \$1,867,500
Total Estimated Net Effect on General Revenue Fund	\$466,875 to \$933,750	\$933,750 to \$1,867,500	\$933,750 to \$1,867,500

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Other	\$100,725 to \$201,450	\$201,450 to \$402,900	\$201,450 to \$402,900
Total Estimated Net Effect on <u>Other</u> State Funds	\$100,725 to \$201,450	\$201,450 to \$402,900	\$201,450 to \$402,900

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal	\$182,400 to \$364,800	\$364,800 to \$729,600	\$364,800 to \$729,600
Total Estimated Net Effect on <u>All</u> Federal Funds	\$182,400 to \$364,800	\$364,800 to \$729,600	\$364,800 to \$729,600

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Missouri Department of Transportation** and **Missouri Department of Conservation** assume the proposal would have no fiscal impact on their agencies.

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

Officials from the **Missouri Consolidated Health Care Plan (HCP)** project this legislation will save \$750,000 to \$1.5 million for FY 12 and an additional \$1.5 million to \$3.0 million for FY 13 and FY 14.

Oversight assumes changes in the design of retiree health insurance plans would not be effective until January 1, 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Savings - HCP</u>			
Reduction in Medicare-eligible participant benefits	<u>\$466,875 to</u> <u>\$933,750</u>	<u>\$933,750 to</u> <u>\$1,867,500</u>	<u>\$933,750 to</u> <u>\$1,867,500</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$466,875 to</u> <u>\$933,750</u>	<u>\$933,750 to</u> <u>\$1,867,500</u>	<u>\$933,750 to</u> <u>\$1,867,500</u>
OTHER STATE FUNDS			
<u>Savings - HCP</u>			
Reduction in Medicare-eligible participant benefits	<u>\$100,725 to</u> <u>\$201,450</u>	<u>\$201,450 to</u> <u>\$402,900</u>	<u>\$201,450 to</u> <u>\$402,900</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$100,725 to</u> <u>\$201,450</u>	<u>\$201,450 to</u> <u>\$402,900</u>	<u>\$201,450 to</u> <u>\$402,900</u>

<u>FISCAL IMPACT - State Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
FEDERAL FUNDS			
<u>Savings - HCP</u>			
Reduction in Medicare-eligible participant benefits	<u>\$182,400 to</u> <u>\$364,800</u>	<u>\$364,800 to</u> <u>\$729,600</u>	<u>\$364,800 to</u> <u>\$729,600</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$182,400 to</u> <u>\$364,800</u>	<u>\$364,800 to</u> <u>\$729,600</u>	<u>\$364,800 to</u> <u>\$729,600</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (6 Mo.)	FY 2013	FY 2014
	<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

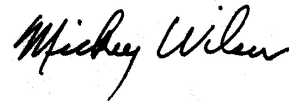
Currently, the state employees' health insurance benefit plan must provide full health benefit plan coverage to participants who are also eligible for and covered by Medicare. This proposal requires the state employees' health insurance benefit plan to provide a health plan that offers coverage that is substantially similar to Medicare to participants who are eligible for and covered by Medicare as well as to participants who are eligible for but not covered by Medicare.

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

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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



Mickey Wilson, CPA
Director
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