

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0231-01
Bill No.: SB 161
Subject: Insurance - Medical
Type: Original
Date: February 15, 2013

Bill Summary: This proposal requires the Joint Committee on Legislative Research to conduct an actuarial analysis to study the cost impact of mandating health insurance coverage for eating disorders.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$90,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$90,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Oversight Division** assume three actuarial studies are being mandated by the legislation: 1) an analysis of the impact to health carriers, 2) an analysis of the impact to insureds with a health benefit plan, and 3) an analysis of the impact to other private and public payers. Each actuarial analysis is limited to a cost of \$30,000. Therefore, Oversight assumes the fiscal impact of this proposal will be a cost of \$90,000 to General Revenue for FY 14.

Officials from the **Department of Social Services (DSS)** state the proposal does not revise Chapter 208, RSMo. Therefore, it does not affect MO HealthNet (MHD) eligibility or benefits.

Although the legislation does revise Chapter 376, RSMo, the MHD Managed Care program has determined that the proposal legislation will not have a fiscal impact on MHD.

Officials from the **Missouri Senate** assume the proposal will have no fiscal impact on their organization beyond existing appropriations.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration**, the **Department of Mental Health**, the **Missouri Consolidated Health Care Plan**, and **Missouri House of Representatives** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Costs - Oversight Division of the Joint Committee on Legislative Research</u>			
Actuarial studies	<u>(\$90,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$90,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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

Under this proposal, the Oversight Division of the Joint Committee on Legislative Research must conduct an actuarial analysis of the cost impact to consumers, health insurers, and other private and public payers if a state mandate was enacted to provide health benefit plan coverages for the diagnosis and treatment of eating disorders that include residential treatment and access to psychiatric and medical treatments.

Under the terms of the proposal, the division director must submit a report of the actuarial findings to the Speaker of the House of Representatives, President Pro Tem of the Senate, and the chair of the House Special Committee on Health Insurance and the Senate Small Business, Insurance and Industry Committee by December 31, 2013. The actuarial analysis shall assume that the mandated coverage will not be subject to any greater deductible or copayment than other health care services provided under a health benefit plan and will not apply to a supplemental insurance policy. The cost for each actuarial analysis cannot exceed \$30,000 and the division may utilize any actuary contracted to perform services for the Missouri Consolidated Health Care Plan to perform the analysis required under the proposal. The provisions regarding the actuarial analysis expire December 31, 2013 (Section 376.1192).

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
Department of Mental Health
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri House of Representatives
Joint Committee on Legislative Research -
Oversight Division
Missouri Senate



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