

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0604-01  
Bill No.: SB 156  
Subject: Insurance - Medical; Insurance Department; General Assembly; Appropriations  
Type: Original  
Date: March 1, 2013

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Bill Summary: This proposal prohibits the Department of Insurance and other state agencies from applying for, accepting, or expending federal moneys relating to the implementation of the federal health care act unless authorized by law.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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 7 pages.

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

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

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Veterans Commission** state the fiscal impact to their department is unknown.

Officials from the **Department of Mental Health** assume this legislation could reduce the state's ability to draw down additional federal dollars, therefore the impact is an unknown cost.

Officials from the **Department of Social Services - Division of MO HealthNet** assume this proposal prohibits state agencies from applying for, accepting, or expending federal moneys relating to the implementation of the federal Patient Protection and Affordable Care Act unless such acceptance or expenditure is authorized by statute or an appropriations bill. The language in state statute at chapter 376 which relates to Life, Health and Accident Insurance could be interpreted to prohibit acceptance of federal Medicaid funds by Missouri necessary to comply with changes in federal Medicaid law under chapter 208, the medical assistance program on behalf of needy persons, Medicaid (MO HealthNet), unless the expenditure is specifically authorized by state statute or an appropriation. For example, a specific appropriation might be needed to fund systems work for the modified adjusted gross income conversion related to the affordable care act. Therefore, the fiscal impact on MO HealthNet is unknown.

### Section 376.1188

Officials from the **Department of Social Services - Family Support Division (FSD)** assume the proposal requires that beginning in 2014 the federal Patient Protection and Affordable Care Act requires states to use modified adjusted gross income for determining income eligibility for the MO HealthNet for Families, MO HealthNet for Kids and MO HealthNet for Pregnant Women programs. Missouri currently does not use the modified adjusted gross income in determining income eligibility for these programs. Therefore, computer system and policy changes are needed to prepare for this change in 2014.

This would prevent the FSD from applying for, accepting, or using federal grants or moneys to complete necessary computer system and policy changes. This could result in the FSD being out of compliance with the federal Medicaid provisions in 2014. At this time, the fiscal impact is unknown and contingent on future actions of the federal government. The federal government could withhold all federal Medicaid reimbursement funds.

ASSUMPTIONS (continued)

Section 376.1188.1

Officials from the **Department of Health and Senior Services (DHSS)** are unable to project the potential impact of this language. If the General Assembly failed to authorize by statute or pass an appropriations bill, the loss of associated federal funding could have significant impact on the department. Further, the DHSS is unsure of the impact this bill would have on existing Affordable Care Act funding already received.

Section 376.1188.2

Officials from the **DHSS** assume this section allows a taxpayer to bring suit against the department for violations of this section. If found in violation, DHSS would be responsible for paying attorney fees, court costs and reasonable expenses from existing appropriations. This would have an unknown impact on current funding levels and could impact programs operations because it would reduce the funds available to support current programs.

Officials from the **Attorney General's Office (AGO)** assume part of the proposal will allow lawsuits against the state and state entities. AGO also assume that it would be responsible for the defense of any such suits. Because the number and complexity of such suits are unknown, costs are also unknown. AGO assumes costs can be absorbed, but may request additional appropriation if significant litigation ensues.

Officials from the **Department of Revenue, Office of Administration, Missouri Consolidated Health Care Plan, MoDOT and Patrol Employees Retirement System, Joint Committee on Public Retirement, Office of Prosecution Services, Department of Public Safety, Administrative Hearing Commission, Missouri Lottery Commission, Missouri Gaming Commission, State Tax Commission, Office of the State Auditor, Missouri Ethics Commission, Division of Fire Safety, Office of the State Treasurer, Office of the State Public Defender, Department of Economic Development, Joint Committee on Administrative Rules, Office of the Governor, Office of the State Courts Administrator, Missouri Department of Conservation, Department of Higher Education, Office of the Secretary of State, Missouri House of Representatives, Department of Labor and Industrial Relations, Department of Corrections, Missouri Highway Patrol and Department of Transportation** each assume the current proposal would not fiscally impact their respective agencies.

ASSUMPTIONS (continued)

**Oversight** assumes the fiscal impact for this proposal would be \$0 or negative unknown. If the General Assembly authorizes the applying, accepting and expending of federal funds it will not fiscally impact the state. If the General Assembly does not authorize these actions than it will cause an negative unknown impact to the state.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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**GENERAL REVENUE FUND**

<u>Expense - DHSS, DMH, DOS, MVC</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
Reduction in Federal Funds			

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>
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<u>FISCAL IMPACT - Federal Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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**FEDERAL FUNDS**

<u>Expense - DHSS, DMH, DOS, MVC</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
Reduction in Federal Funds			

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 or</u></b> <b><u>(Unknown)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal may fiscally impact small businesses if the state cannot authorize Affordable Care Act spending.

## FISCAL DESCRIPTION

This proposal prohibits the Department of Insurance and other state agencies from applying for, accepting, or expending federal moneys relating to the implementation of the federal Patient Protection and Affordable Care Act unless such acceptance or expenditure is authorized by statute or an appropriations bill. The proposal specifically provides any taxpayer of this state or any member of the General Assembly with legal standing to bring suit against the state of Missouri or any official, department, division, agency, or political subdivision of this state which is in violation of the act in any court with jurisdiction to enforce the provisions of the proposal. The proposal requires courts to grant attorney's fees, court costs, and reasonable expenses to taxpayers or legislators who are successful in bringing a lawsuit against the state or one of its agencies. The proposal further provides that in no case shall the award of attorney's fees, court costs, or reasonable expenses be paid from the legal defense fund, nor shall any department, division, agency, or political subdivision of this state request, or be granted, additional appropriations in order to satisfy an award made under this proposal.

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 Veterans Commission  
Department of Mental Health  
Department of Social Services  
Department of Health and Senior Services  
Attorney General's Office  
Department of Revenue  
Office of Administration  
Missouri Consolidated Health Care Plan  
MoDOT and Patrol Employees Retirement System  
Joint Committee on Administrative Rules  
Office of Prosecution Services  
Department of Public Safety  
Administrative Hearing Commission  
Missouri Lottery Commission  
Missouri Gaming Commission  
State Tax Commission  
Office of the State Auditor  
Missouri Ethics Commission  
Division of Fire Safety

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SOURCES OF INFORMATION (continued)

Office of the State Treasurer  
Office of the State Public Defender  
Department of Economic Development  
Joint Committee on Administrative Rules  
Office of the Governor  
Office of the State Courts Administrator  
Missouri Department of Conservation  
Department of Higher Education  
Office of the Secretary of State  
Missouri House of Representatives  
Department of Labor and Industrial Relations  
Department of Corrections  
Missouri Highway Patrol  
Department of Transportation



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Acting Director  
March 1, 2013