

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1513-02
Bill No.: SB 309
Subject: Insurance - Medical; Corporations; Secretary of State
Type: Original
Date: March 8, 2013

Bill Summary: This proposal prohibits certain types of public benefit corporations from entering into agreements to operate health insurance exchanges.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$71,529)	(\$68,514)	(\$69,199)
Total Estimated Net Effect on General Revenue Fund	(\$71,529)	(\$68,514)	(\$69,199)

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
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

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 **Office of Secretary of State (SOS) - Business Services Division (BSD)** state the BSD would be responsible for investigating and determining whether or not a non-profit corporation is conducting the functions prohibited by the proposed legislation and to administratively dissolve the corporation.

BSD assumes one FTE Investigator (\$45,000 annually) will be needed for investigating and administratively dissolving corporations found to be in violation of the proposed legislation. The BSD assumes the proposal will have an FY 14 cost to the General Revenue Fund of \$71,539; FY 15 cost of \$68,514; and FY 16 cost of \$69,199.

Officials from the **SOS - Rules Division** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Social Services - MO HealthNet Division** state this legislation prohibits a public benefit corporation, formed for the purpose of promoting public health, to enter into any agreement or any obligation to establish, administer, or operate a state-based or federally facilitated health benefit exchange. This legislation does not revise Chapter 208, RSMo; therefore, it does not affect MO HealthNet eligibility or benefits. There is no fiscal impact on MO HealthNet.

Officials from the **Office of Administration (OA) - Division of Personnel**, the **OA - Division of Purchasing**, the **OA - Division of Budget and Planning** the **Office of State Courts Administrator**, the **Department of Insurance, Financial Institutions, and Professional Registration**, the **Department of Mental Health**, the **Department of Health and Senior Services**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation** and the **Office of Prosecution Services** each assume the proposal would not fiscally impact their respective agencies.

ASSUMPTION (continued)

Officials from the **Missouri Department of Transportation** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Costs - SOS-BSD</u>			
Personal service	(\$37,500)	(\$45,450)	(\$45,905)
Fringe benefits	(\$19,029)	(\$23,064)	(\$23,294)
Computer system coding change	(\$15,000)	\$0	\$0
<u>Total costs - SOS</u>	<u>(\$71,529)</u>	<u>(\$68,514)</u>	<u>(\$69,199)</u>
FTE Change - SOS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$71,529)</u>	<u>(\$68,514)</u>	<u>(\$69,199)</u>
Estimated Net FTE Change to the General Revenue Fund	1 FTE	1 FTE	1 FTE
<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, no public benefit corporation formed, for the purpose of promoting public health shall enter into any agreement or any obligation to establish, administer, or operate a state-based health benefit exchange nor a federally facilitated health benefit exchange. The proposal further prohibits such a public benefit corporation from performing any operations or functions related to the administration of such health benefit exchanges.

FISCAL DESCRIPTION (continued)

It shall constitute grounds for administrative dissolution under Missouri's nonprofit corporation law if a public benefit corporation meeting the proposal's description enters into an agreement with a state-based health benefit exchange or a federally facilitated health benefit exchange. The proposal requires the secretary of state to commence a procedure to administratively dissolve the public benefit corporation if it enters into such an agreement.

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 -
 Division of Budget and Planning
 Division of Personnel
 Division of Purchasing
Office of State Courts Administrator
Department of Insurance, Financial Institutions,
 and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Office of Prosecution Services
Office of Secretary of State

Not Responding:

Missouri Department of Transportation



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