

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1803-01
Bill No.: SB 473
Subject: Insurance - Medical; Insurance Department; State Attorney General
Type: Original
Date: May 2, 2013

Bill Summary: This proposal modifies Missouri's Health Care Freedom Act by prohibiting the state from implementing a health insurance exchange, prohibiting insurers from accepting remuneration that may result in penalties violative of the act, and prescribing duties of the Attorney General for enforcement of the act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on General Revenue Fund	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

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 **Department of Insurance, Financial Institutions and Professional Registration** state that it is unknown how the changes in this proposal would affect the department.

For fiscal note purposes, **Oversight** will use a negative unknown to positive unknown fiscal impact to the Department of Insurance, Financial Institutions and Professional Registration.

Officials from the **Missouri Department of Conservation, Department of Mental Health, Department of Social Services, Department of Health and Senior Services and Department of Transportation** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Highway Patrol** assume that Department of Transportation Employee Benefits Section will be responding on behalf of their department.

Officials from the **Attorney General's Office** did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<u>Cost - DIFP</u>			
Implementation and compliance of proposal	(Unknown)	(Unknown)	(Unknown)
<u>Savings - DIFP</u>			
Implementation and compliance of proposal	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</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

This proposal modifies what is commonly known as the Health Care Freedom Act which was approved by the Missouri voters in 2010. The proposal restates Missouri's public policy of allowing its citizens the freedom to choose or decline to choose any mode of securing health care services without facing a penalty. The proposal also posits several findings of fact of how the Patient Protection and Affordable Care Act and implementing a state-based exchange would subject Missouri citizens and employers to penalties. The proposal provides that it is against Missouri public policy to implement or operate a health insurance exchange in Missouri. The proposal further provides that if a health insurance issuer operating in Missouri accepts any remuneration that may result in the imposition of penalties contrary to Missouri's public policy, then the director of insurance shall suspend the issuer's license to transact business in Missouri. The suspension will stay in place until the issuer represents that it has returned the remuneration to its source and will decline any such future remuneration. The proposal imposes a duty upon the attorney general to seek injunctive relief and other appropriate remedies whenever the public policy set forth in the act is being violated.

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 Social Services
Department of Health and Senior Services
Department of Mental Health
Department of Transportation
Missouri Department of Conservation
Missouri Highway Patrol

NOT RESPONDING

Attorney General's Office



Ross Strobe
Acting Director
May 6, 2013