

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6282-01
Bill No.: SB 974
Subject: Insurance - Medical; Department of Social Services
Type: Original
Date: April 4, 2014

Bill Summary: This proposal creates reporting requirements for managed care organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown less than \$12,500)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown less than \$12,500)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Federal Funds*			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** state it is not known if this additional reporting would impact administrative expenses of the health plans thus impacting the capitated rates paid to them by MO HealthNet. It is estimated that the actuarial cost to evaluate the possibility of an impact would be no more than \$25,000.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Costs - DSS-MHD (§208.1150)</u>			
Actuarial study	(Unknown less than \$12,500)	\$0	\$0
Increase in capitation rates	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown less than \$12,500)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FEDERAL FUNDS			
<u>Income- DSS-MHD (§208.1150)</u>			
Increase in reimbursements	Unknown, less than \$12,500	\$0	\$0
Increase in program reimbursements	\$0	Unknown	Unknown
<u>Costs - DSS-MHD (§208.1150)</u>			
Increase in expenditures	(Unknown, less than \$12,500)	\$0	\$0
Increase in program expenditures	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

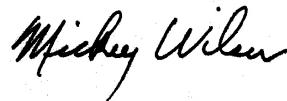
FISCAL DESCRIPTION

This proposal requires managed care organizations to report medical loss ratios of the managed care organization and its subcontractors and total payments to the managed care organization to the department of social services on at least an annual basis.

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 Social Services -
MO HealthNet Division



Mickey Wilson, CPA
Director
April 4, 2014

Ross Strobe
Assistant Director
April 4, 2014

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