

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0796-01  
Bill No.: SB 145  
Subject: Insurance - Medical; Mental Health; Physicians; Psychologist  
Type: Original  
Date: January 30, 2015

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Bill Summary: This proposal requires health benefit plans cover diagnosis and treatment of eating disorders.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Unknown, less than \$12,500)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown, less than \$12,500)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Federal Funds	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and expenditures in FY 2016 net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** assume this legislation revises Chapter 376, RSMo. The MHD assumes since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants. MHD managed care covered 800 patients with eating disorders in FY 13.

The first year cost is for an actuarial study to determine the impact of this requirement on rate ranges to ensure actuarial soundness as required by the Centers for Medicare and Medicaid Services. The cost of the analysis will depend on the complexity of the analysis needed to address this program change. At a minimum, the actuarial study would include a survey of the Managed Care health plans to determine their current practices related to determining medical necessity for coverage of eating disorders. The health plan criteria may be different from the Practice Guidelines for the Treatment of Patients with Eating Disorders, as most recently published by the American Psychiatric Associations. The expected utilization change due to the difference in the criteria would determine the fiscal impact to the capitation rates. The cost of the study could be up to \$25,000. It is unknown if capitation rates would increase, the impact is anticipated to be minimal.

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

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to Department of Transportation for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Costs - DSS-MHD</u>			
Actuarial cost of increased coverage	(Unknown less than \$12,500)	\$0	\$0
Increase in state share of capitation rates paid to HMOs	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown less than \$12,500)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>FEDERAL FUND</b>			
<u>Income - DSS-MHD</u>			
Increase in program reimbursements	Unknown, less than \$12,500	Unknown	Unknown
<u>Costs - DSS-MHD</u>			
Increase in program expenditures	<u>(Unknown, less than \$12,500)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

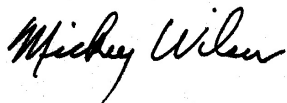
### FISCAL DESCRIPTION

This proposal requires all health benefit plans to provide coverage for the diagnosis and treatment of eating disorders. The proposal also prohibits various acts by health benefit plans that may disincentivize providers from providing treatment or patients from accepting less treatment than is permitted under the act. The proposal further requires that the provided coverage include a broad array of specialist services as proscribed as necessary by the patient's treatment team. The proposal requires that services covered by the act require no greater deductible or co-payment than other health care services provided by the health benefit plan. Supplemental insurance policies are exempted from the requirements of the act.

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  
    MO HealthNet Division  
Department of Public Safety -  
    Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Department of Mental Health  
Missouri Department of Transportation



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January 30, 2015

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