

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1440-04
Bill No.: HCS for HB 769
Subject: Health Care; Physicians; Contracts and Contractors; Insurance - Medical
Type: Original
Date: March 10, 2015

Bill Summary: This proposal allows for direct primary health care services to be provided through a medical retainer agreement between the physician and patient.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Insurance Dedicated	(\$3,568)	(\$115,355)	(\$116,567)
Total Estimated Net Effect on Other State Funds	(\$3,568)	(\$115,355)	(\$116,567)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Insurance Dedicated	1	1	1
Total Estimated Net Effect on FTE	1	1	1

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate there may be a need for contracted insurance product reviews for the influx of policy form filings anticipated upon this proposal becoming law. DIFP believes it currently has enough appropriation to cover the contracted reviews, but if the contracted reviews cost more than anticipated, the department will request additional expense and equipment appropriation. The anticipated amount of filing fees to be deposited into the Insurance Dedicated Fund based on this proposal is \$100,000 in FY16.

DIFP will need one Market Conduct Examiner III (\$73,118 annually) to conduct exams on the medical retainer agreements, oversee the contract and review any contractor work product.

Finally, depending upon the amount of legal work necessary, DIFP may need to request an additional attorney FTE and would do so through the budget process after the bill became law and the amount of litigation was better known.

Officials from the **Department of Health and Senior Services**, the **Department of Social Services**, the **Office of Administration**, and the **Missouri Consolidated Health Care Plan** 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.

In response to a previous version of this proposal, officials from the **Department of Mental Health** and the **Missouri Department of Conservation** each assumed the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
INSURANCE DEDICATED FUND			
<u>Revenue - Filing Fees</u>	\$100,000	\$0	\$0
<u>Costs - DIFP</u>			
Salaries	(\$60,932)	(\$73,849)	(\$74,588)
Fringe Benefits	(\$31,078)	(\$37,667)	(\$38,044)
Equipment and Expenses	(\$11,558)	(\$3,839)	(\$3,935)
<u>Total Costs - DIFP</u>	<u>(\$103,568)</u>	<u>(\$115,355)</u>	<u>(\$116,567)</u>
FTE Change - DIFP	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$3,568)</u>	<u>(\$115,355)</u>	<u>(\$116,567)</u>
Estimated Net FTE Change on Insurance Dedicated Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a fiscal impact on health care providers.

FISCAL DESCRIPTION

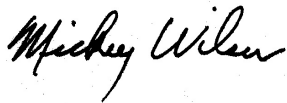
This bill specifies that a medical retainer agreement is a contract between a physician and an individual patient or the individual patient's legal representative in which the physician agrees to provide certain health care services described in the agreement to the individual patient for an agreed-upon fee and period of time. A medical retainer agreement is not insurance, entering into a medical retainer agreement is not the business of insurance, and a physician or agent of a physician is not required to obtain a certificate of authority or license to market, sell, or offer to sell a medical retainer agreement.

FISCAL DESCRIPTION (continued)

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 Administration
Missouri Department of Conservation
Missouri Consolidated Health Care Plan
Department of Public Safety - Missouri Highway Patrol
Department of Mental Health
Department of Insurance, Financial Institutions and Professional Registration
Department of Social Services
Department of Health and Senior Services



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March 10, 2015

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