

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5458-07
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SS for SCS for SB Nos. 865 & 866
Subject: Pharmacy; Administrative Rules; Administrative Law; Professional Registration and Licensing; Drugs and Controlled Substances; Insurance - Health
Type: Original
Date: June 8, 2016

Bill Summary: This proposal modifies various provisions regarding palliative care, the Board of Pharmacy, pharmacists, health insurance, and pharmacy benefit managers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Insurance Dedicated	(\$137,689)	(\$247,695)	(\$251,021)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$137,689)	(\$247,695)	(\$251,021)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Insurance Dedicated	4	4	4
Total Estimated Net Effect on FTE	4	4	4

☒ 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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services**, the **Department of Mental Health**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Department of Conservation**, the **Missouri Consolidated Health Care Plan**, the **Department of Transportation**, and the **Joint Committee on Administrative Rules** each assume the current proposal would not fiscally impact their respective agencies.

Section 191.1080

Officials from the **Department of Health and Senior Services (DHSS)** state section 191.1080 creates the Missouri Palliative Care and Quality of Life Interdisciplinary Council and directs the DHSS to coordinate meeting logistics. These activities will be accomplished through the use of current staff.

Funds are requested for the reimbursement of travel expenses for the Council members to attend Council meetings. DHSS assumes the meetings will be held biannually. The cost per Council member to attend these meetings is calculated at \$180 per day for lodging, meals, and mileage. The total cost for the Council meetings in the first year is calculated at \$1,980 (11 members x 1 meeting x \$180). Subsequent years include a 2.5 percent cost of living increase and two meetings per year.

Total Cost:

FY 17: \$1,980 General Revenue (GR)

FY 18: \$4,059 GR

FY 19: \$4,160 GR

Section 191.1085 creates the Palliative Care Consumer and Professional Information and Education Program within DHSS. DHSS is to publish information and resources, including links to external resources, about palliative care on its website. Some resources are already identified on the DHSS website. The addition of further resources, links, etc. on the website will be accomplished through the use of current staff.

Oversight assumes DHSS appropriations are sufficient to cover the Council members' travel costs within current funding levels. If costs significantly exceed estimates, the DHSS may seek additional resources through the appropriations process.

ASSUMPTION (continued)

Section 376.379

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate up to 3 amendments per licensed company in the non-comprehensive market. At the end of 2015 there were 435 companies writing non-comprehensive plans licensed in Missouri. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$65,250.

Section 376.465

DIFP assumes this proposal requires independent rate filings any time rates change for an existing policy form, including each separate rider or amendment. The proposal applies to all forms of health insurance, not just major medical. It is expected that there will be approximately 2,350 filings per year x \$50 filing fee = \$117,500.

All filings shall be received no later than sixty days prior to their effective date. The DIFP shall review the proposed rates and ensure that they are appropriate, not excessive, inadequate, or unfairly discriminatory within sixty days from the date of the filing. DIFP may promulgate rules to implement these provisions.

Due to the turn-around time prescribed in the bill, the department will need at least 1 Actuary (\$140,000/annually) and 3 Insurance Product Analysts (\$36,204 each/annually) FTE for policy review, and review of rates for actuarial soundness.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
INSURANCE DEDICATED FUND			
<u>Income</u> - Filing Fees (§376.379 and §376.465)	\$182,750	\$117,500	\$117,500
<u>Costs</u> - DIFP (§376.465)			
Salaries	(\$207,177)	(\$251,098)	(\$253,609)
Fringe Benefits	(\$80,807)	(\$108,968)	(\$109,654)
Equipment & Expense	<u>(\$32,455)</u>	<u>(\$5,129)</u>	<u>(\$5,258)</u>
<u>Total Costs</u> - DIFP	<u>(\$320,439)</u>	<u>(\$365,195)</u>	<u>(\$368,521)</u>
FTE Change - DIFP	4 FTE	4 FTE	4 FTE
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$137,689)</u>	<u>(\$247,695)</u>	<u>(\$251,021)</u>
Estimated Net FTE Change on the Insurance Dedicated Fund	4 FTE	4 FTE	4 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<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 various provisions regarding palliative care, the reporting of adverse actions against a licensee to the Board of Pharmacy, the dispensing of maintenance medication, health insurance, and pharmacy benefit managers.

This legislation is not federally mandated, would not duplicate any other program and would not

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require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration

Department of Social Services

Department of Mental Health

Department of Public Safety

Missouri Highway Patrol

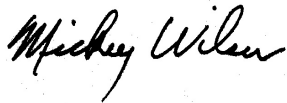
Missouri Department of Conservation

Missouri Consolidated Health Care Plan

Department of Transportation

Joint Committee on Administrative Rules

Department of Health and Senior Services



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June 8, 2016

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June 8, 2016