

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0312-01
Bill No.: SB 45
Subject: Children and Minors; Disabilities; Health Care; Insurance - Health; Mental Health; Physician; Psychologists
Type: Original
Date: January 15, 2019

Bill Summary: This proposal enacts provisions relating to health care for persons with disabilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Insurance Dedicated	Up to \$22,500	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Up to \$22,500	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

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 2020	FY 2021	FY 2022
Local Government	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§376.1223 and 376.1224 - Health care for persons with disabilities

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this legislation impacts group major medical policies only. Companies may choose to file a rider under the "other" code to impact multiple lines in one filing. Therefore, it is unknown how many filings the DIFP will receive.

The DIFP estimates up to 150 companies will file one policy amendment each for a total of 150 filings submitted to the department for review along with a \$150 filing fee. Additional revenues to the Insurance Dedicated Fund are estimated to be up to \$22,500 (150 X \$150 = \$22,500).

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department may need to request additional staff to handle increase in workload.

Oversight does not have any information contrary to the information provided by DIFP and will reflect one-time revenues up to \$22,500 to the Insurance Dedicated Fund for FY 2020.

Officials from the **City of Columbia (Columbia)** state, based on conversations with their benefits consultant, that the additional claims cost estimate for its medical health plan could be \$40,000 per year. The added coverage was calculated at 0.5% (one-half of one percent) on only medical (excluding Rx) claims cost. The cost of prescriptions is unknown, but it is expected Columbia would see some sort of increase. Depending on the number of eligible participants in the plan, this estimate could be higher or lower. If significantly higher, city contributions and participant premiums could increase in future years, but there is no way to estimate the impact at this point. In addition, there is no way to determine who might use the benefit.

Oversight does not have any information contrary to the information provided by the City of Columbia. Oversight will assume there could be other political subdivisions that may incur higher insurance costs if their current plan does not have coverage for “treatment of symptoms and behaviors for individuals with physical or developmental disabilities” but are required to with the passage of this bill. Therefore, Oversight will reflect a potential unknown cumulative cost to political subdivisions.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Social Services**, the **Department of Public Safety- Missouri State Highway Patrol**, **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **City of Kansas City** and the **St. Louis County Department of Public Health** each assume the proposal would not fiscally impact their respective agencies.

As **Oversight** has no information contrary to that provided by the agencies above, Oversight will present no fiscal impact in the fiscal note for these organization.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
INSURANCE DEDICATED FUND			
<u>Income - DIFP (§§376.1223 and 376.1224)</u>			
Form filing fees	<u>Up to \$22,500</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	<u>Up to \$22,500</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
LOCAL GOVERNMENTS			
<u>Costs - Local County Governments (§§376.1223 and 376.1224)</u>			
Increase in health care plan expenditures to cover treatment of symptoms and behaviors for individuals with physical or developmental disabilities	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>

FISCAL IMPACT - Small Business

This proposal could impact small businesses that provide insurance coverage to their employees if the cost of the insurance increases upon passage of this proposal.

FISCAL DESCRIPTION

This act specifies that third-party payers for health care services shall not limit or deny coverage for treatment of symptoms and behaviors for physically or developmentally disabled individuals if a licensed physician or psychologist determines the symptoms or behaviors caused by the disability require the individual to receive care or assistance from another person and directly affect participation in everyday activities.

The act adds coverage for developmental and physical disabilities to the autism spectrum disorder health insurance coverage mandate. The act specifies that medical necessity of treatment shall be determined by the health benefit plan, and that providers may submit a treatment plan.


Coverage for therapeutic care required to be provided under the act shall be subject to a maximum benefit of \$40,000 per calendar year for individuals through the age of 18. This limit may be exceeded upon prior approval by the health benefit plan if medically necessary.

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 Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Public Safety -
 Missouri State Highway Patrol
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
City of Columbia
City of Kansas City
St. Louis County Department of Public Health

Kyle Rieman
Director
January 15, 2019



Ross Strope
Assistant Director
January 15, 2019