

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1159-01
Bill No.: SB 226
Subject: Federal - State Relations; Health Care; Insurance - Health; Interstate Cooperation
Type: Original
Date: February 19, 2019

Bill Summary: This proposal repeals restrictions regarding which associations may be issued health benefit plans for the benefit of their members.

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 Fund (0566)	\$29,700	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$29,700	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 376.421

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that for the purposes of this fiscal note, it is assumed that approximately 50% of the 397 insurers licensed in Missouri will offer association health coverage. It also assumed that each of those 198 companies will submit one filing at \$150 per filing.

Additional revenues to the Insurance Dedicated Fund are estimated to be up to \$29,700 (198*\$150 = \$29,700).

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 notes that the DIFP has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a revenue to the Insurance Dedicated Fund of \$29,700 in FY 2020 and no additional cost to the DIFP on the fiscal note.

Officials from the **Missouri Consolidated Health Care Plan**, the **Department of Transportation** and the **Missouri Department of Conservation** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **Office of Administration** defer to the Missouri Consolidated Health Care Plan to estimate the fiscal impact of the proposed legislation on their respective organization.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
INSURANCE DEDICATED FUND			
<u>Revenue - DIFP</u> \$150 filing fee	<u>\$29,700</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE INSURANCE DEDICATED FUND	<u>\$29,700</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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 act repeals restrictions regarding which associations may be issued health benefit plans for the benefit of their members.

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
Missouri Consolidated Health Care Plan
Office of Administration
Department of Transportation
Missouri Department of Conservation



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February 19, 2019

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February 19, 2019