

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2110-05
Bill No.: Perfected SS for SB 414
Subject: Boards, Commissions, Committees and Councils; Federal - State Relations;
Health - Public; Insurance - Health; Department of Insurance, Financial
Institutions and Professional Registration
Type: Original
Date: April 16, 2019

Bill Summary: This proposal enacts provisions to innovation in health insurance.

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)	(\$260,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$260,000)	\$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

Sections 376.1180 and 376.1182

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate meeting and associated travel costs of the Task Force members not to exceed \$10,000.

The department also estimates the costs of an actuarial review to be approximately \$250,000. DIFP assumed the costs to be expended from the Insurance Dedicated Fund.

Oversight notes that the DIFP has stated the proposal would have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect DIFP estimates.

Officials from the **Missouri Senate (SEN)** anticipate a cost of \$294 to reimburse travel for 3 senators to attend task force meetings.

Oversight assumes the travel expenses of the Senators to be included in the \$10,000 estimate for the task force members provided by DIFP.

Officials from the **Office of the Secretary of State (SOS)** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Missouri House of Representatives (MHR)** assumed this proposal will have no fiscal impact on their agency. MHR assumes any expenses incurred by members serving on the task force can be absorbed.

In response to a previous version, officials from the **Department of Social Services (DSS)** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the SOS, MHR and the DSS has stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight notes the task force is required to issue a final report by December 31, 2019; therefore, Oversight will only reflect costs of the task force in FY 2020.

<u>FISCAL IMPACT - State Government</u>	FY 2020	FY 2021	FY 2022
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INSURANCE DEDICATED FUND

Cost - DIFP

Travel cost for Task Force Members	(\$10,000)	\$0	\$0
Actuarial Review	(\$250,000)	\$0	\$0
<u>Total Cost - DIFP</u>	<u>(\$260,000)</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT TO THE INSURANCE DEDICATED FUND	<u>(\$260,000)</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020	FY 2021	FY 2022
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act creates the "Missouri Health Insurance Innovation Task Force" with the purpose of soliciting concepts and making recommendations for a Section 1332 innovation waiver application under the Affordable Care Act. The task force shall focus on improving access to health care, decreasing premiums, and increasing the number of carriers.

The task force shall consist of members specified in the act, with the Director of the Department of Insurance, Financial Institutions, and Professional Registration to serve as chair. Members shall serve without compensation, but members and staff shall be reimbursed for actual and necessary expenses. The Director may expend funds as necessary to conduct the business of the task force, including commissioning actuarial reviews of waiver concepts considered by the task force.

No later than December 31, 2019, unless a majority of the Task Force votes to extend the deadline, the chair shall complete a final report of the task force's activities and recommendations, to be delivered to the Governor, Speaker of the House, and President Pro Tempore of the Senate. Recommendations of the task force shall be revenue neutral.

FISCAL DESCRIPTION (continued)

The act authorizes the Department to work with the task force and with the Centers for Medicare and Medicaid Services to develop innovative ways to transform the health insurance marketplace and to submit applications for a section 1332 innovation waiver under the Affordable Care Act.

The act shall not be construed to permit the Department, or any other state agency, to implement or operate a state-based exchange or to facilitate in the operation of a federally facilitated marketplace as otherwise prohibited by law. However, the state may take over ancillary administrative functions in furtherance of the objectives of the act.

No later than February 1, 2020, or as soon as practicable following enactment of any legislation necessary for the state to qualify, the Director shall, subject to approval by the Governor, submit an application to the Centers for Medicare and Medicaid Services seeking approval of a section 1332 innovation waiver based on the recommendations of the task force.


This act contains an emergency clause.

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
Missouri House of Representatives
Missouri Senate
Office of the Secretary of State

Kyle Rieman
Director
April 16, 2019



Ross Strope
Assistant Director
April 16, 2019