

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2679-01
BILL NO.: SB 661
SUBJECT: Insurance - Medical
TYPE: Original
DATE: January 17, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated	\$1,500 to \$3,000	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$1,500 TO \$3,000	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol**, the **Department of Conservation**, and the **Department of Transportation** assume this proposal would not fiscally impact their agencies.

Department of Social Services (DOS) officials assume this proposal would not fiscally impact their agency. DOS states the allowable amount of pharmacy co-payments are stated in the contracts that the department has with the HMOs. DOS further states the amounts of the pharmacy co-payments are not subject to change by the HMOs.

Officials from the **Department of Insurance (INS)** anticipate that current appropriations and staff would be able to absorb the work for implementation of this proposal. However, if additional proposals are approved during the legislative session, INS may need to request an increase in appropriations due to the combined effect of multiple proposals. INS states there are 30 HMOs that may be affected by this proposal. INS assumes each HMO may submit a policy form amendment for individual and one for group to comply. INS estimates a range of revenue of \$1,500 to \$3,000 to the Insurance Dedicated Fund in FY 2001.

Missouri Consolidated Health Care Plan (HCP) officials state the HCP board establishes the contract benefits. HCP states the health maintenance organization that contracts with HCP agrees to HCP's contract terms. HCP further states that the health maintenance organization would not be able to change the prescription drug benefit and therefore there would be no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
INSURANCE DEDICATED FUND			
Income - Department of Insurance			
Filing fees	<u>\$1,500 to</u> <u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$1,500 TO</u> <u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>

L.R. NO. 2679-01
BILL NO. SB 661
PAGE 3 OF 3
January 17, 2000

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small health maintenance organizations (HMO) could be affected by this proposal.

DESCRIPTION

This proposal would prohibit health maintenance organizations from changing the coinsurance, co-payment or deductible terms for prescription drugs an insured must pay during the policy or contract period.

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
Missouri Consolidated Health Care Plan
Department of Transportation
Department of Conservation
Department of Public Safety
Missouri State Highway Patrol
Department of Social Services



Jeanne Jarrett, CPA
Director
January 17, 2000