

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3166-02
BILL NO.: SB 747
SUBJECT: Health Care; Health Care Professionals; Insurance - Medical; Medical Procedures and Personnel; Hospitals; Physicians
TYPE: Original
DATE: January 28, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated	\$10,050	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$10,050	\$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 3 contains pages.

FISCAL ANALYSIS

ASSUMPTION

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

Department of Insurance (INS) officials state that they 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 259 health insurers and 30 HMOs that offer health insurance coverage. INS states that of the health insurers, many offer coverage through out-of-state trusts which are not typically subject to such mandates. INS estimates that 171 health insurers and 30 HMOs would each submit one policy form amendment resulting in revenues of \$10,050 to the Insurance Dedicated Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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INSURANCE DEDICATED FUND

<u>Income - Department of Insurance</u>			
Filing fees	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$10,050</u>	<u>\$0</u>	<u>\$0</u>
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<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

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Small insurance companies and small health maintenance organizations would be expected to be fiscally impacted to the extent they would incur additional administrative costs due to the requirements of this proposal.

DESCRIPTION

This proposal would require certain insurance companies to authorize or deny coverage for surgical procedures within certain time limits. These companies would reply to an enrollee's surgeon or primary care physician within forty-eight hours regarding the enrollee's eligibility for a surgery that has been pre-approved by the enrollee's physician. If the enrollee would be deemed eligible for the surgical procedure, then the insurance company would be bound to its decision for thirty days following notification to the enrollee or to the enrollee's physician. Coverage of the surgical procedure would be subject to the same terms and conditions as applicable to other benefits.

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 Public Safety
Missouri State Highway Patrol
Department of Social Services



Jeanne Jarrett, CPA
Director
January 28, 2000