

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1890-02
Bill No.: SB 530
Subject: Insurance - Medical; Insurance Department
Type: Original
Date: March 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

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

Missouri Consolidated Health Care Plan (HCP) officials assume this proposal would require the newly mandated health insurance coverage benefits to apply to Missouri Consolidated Health Care Plan before implementing them generally. This would exclude the employees from the Department of Transportation, the Highway Patrol, and the Department of Conservation. HCP states the proposal would require any mandated health benefit approved by the General Assembly to apply only to the HCP for a period of at least one year. HCP states a statewide mandated benefit would provide a better estimate of the overall cost. With the March 1st deadline, some plans may not be able to produce a full year's information necessary for HCP to evaluate the impact. There would also be a cost to track and reporting of that data. HCP states that depending on the mandated benefit approved by the General Assembly, HCP could see a rise in cost for dependent coverage and/or employee coverage. Since the mandated benefit would not become law until contracts are approved, any cost required as a result of the mandated benefit would not be accounted for in the previously approved budget. The state would have to find new funds to cover the cost of the mandated benefits. HCP may already cover the mandated benefit (ex: contraceptives), thus not allowing for a cost estimate. HCP states the proposal would only continue coverage of the mandated benefit for the HCP. It does not require the mandated benefit to be expanded statewide even if supported by the research. Since this proposal leaves so many uncertainties, it is not possible to report an actual dollar amount in connection with its fiscal impact. However, depending upon the mandate it could be very significant.

Oversight assumes the cost for complying with mandated benefits would be as a result of the passage of other legislation, not this proposal. Oversight assumes any costs associated with the tracking of costs of mandated benefits could be absorbed by HCP.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Possible small insurance cost savings may result from this proposal to certain small businesses since any new mandated health insurance coverage would apply only to the Missouri Consolidated Health Care Plan for the first year.

DESCRIPTION

This proposal would require that any new mandated health insurance coverage would apply only to the Missouri Consolidated Health Care Plan (HCP) for one year. Following the one-year period, the board of the HCP would submit to the General Assembly a report describing the effect of the mandated coverage on the HCP. The board would also recommend whether the mandated coverage should continue. The proposal would require the General Assembly to periodically review any health insurance coverage mandated by the state.

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 Social Services
Department of Conservation
Department of Transportation
Department of Public Safety
Missouri State Highway Patrol



Jeanne Jarrett, CPA

L.R. No. 1890-02
Bill No. SB 530
Page 4 of 4
March 8, 2001

Director

March 5, 2001

MW:LR:OD (12/00)