

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2160-01
Bill No.: SB 588
Subject: Health Care; Health, Public; Insurance - Medical
Type: Original
Date: March 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
All funds	\$0 to (\$480,800)	\$0 to (\$480,800)	\$0 to (\$480,800)
Insurance Dedicated	\$10,000	\$0	\$0
Conservation	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds*	\$10,000 TO (\$470,800)	\$0 TO (\$480,800)	\$0 TO (\$480,800)

***Does not include unknown cost to the Conservation Fund.**

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 TO (\$89,000)	\$0 TO (\$89,000)	\$0 TO (\$89,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

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

Department of Insurance (INS) officials state that health insurers and HMOs would be required to amend policy forms in order to comply with this proposal. INS states 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 171 health insurers and 29 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 29 HMOs would each submit one policy form amendment resulting in revenues of \$10,000 to the Insurance Dedicated Fund. If multiple proposals pass during the legislative session which would require form amendments to be filed, the insurers would probably file one amendment for all required mandates. INS states this would result in increased revenue of \$10,000 for all proposals.

Officials from the **Department of Social Services (DOS)** assume there would be no fiscal impact to the Division of Medical Services. DOS states that currently the Medicaid program covers the screening technique for nonsymptomatic men with above normal PMSA expressions.

Missouri Consolidated Health Care Plan (HCP) officials state the proposal would include insurance coverage for prostatescent imaging as a prostate cancer screening technique for nonsymptomatic men with above normal PMSA expressions. HCP states that according to the National Cancer Institute, about 16% of males 50 and older will be diagnosed in their lifetime. HCP currently insures 15,022 males age 50 and older under the state plan and 2,784 males age 50 and older under the Public Entities. HCP states prostatescent is brand name machine that is currently only available in limited geographical metropolitan areas of Missouri. By mandating this coverage, insurance companies may face charges of \$200 or higher per test. (This amount is arrived at Medicare's regional allowable amount of \$146.90 plus the professional component of \$36. This total is multiplied by 10% to determine a conservative HMO allowable amount.) The total cost of the test for 16% of our targeted population could run \$480,800 for our state population and \$89,000 for the Public Entity population. Health carriers would recoup this cost through premiums. However, there is no way to estimate how many will be diagnosed in each year, the cost of this bill is unknown.

Officials from the **Department of Conservation (MDC)** state the proposal could have some fiscal impact on MDC funds because of the potential for increased health care claims. MDC

ASSUMPTION (continued)

assumes the amount of fiscal impact is unknown.

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

ALL FUNDS

Cost - All Funds

Increased state contributions	<u>\$0 to (\$480,800)</u>	<u>\$0 to (\$480,800)</u>	<u>\$0 to (\$480,800)</u>
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ESTIMATED NET EFFECT ON ALL FUNDS

<u>\$0 TO</u>	<u>\$0 TO</u>	<u>\$0 TO</u>
<u>(\$480,800)</u>	<u>(\$480,800)</u>	<u>(\$480,800)</u>

INSURANCE DEDICATED FUND

Income - Department of Insurance

Form filing fees	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND

<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>
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CONSERVATION FUND

Cost - Department of Conservation

Increased contributions	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON CONSERVATION FUND

<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

PUBLIC ENTITIES

Cost - Public Entities

Increased public entities contributions \$0 to (\$89,000) \$0 to (\$89,000) \$0 to (\$89,000)

**ESTIMATED NET EFFECT ON
PUBLIC ENTITIES**

\$0 TO
(\$89,000)

\$0 TO
(\$89,000)

\$0 TO
(\$89,000)

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent that they would incur increased health insurance premiums due to the requirements of this proposal.

DESCRIPTION

This proposal would modify the mandated prostrate examination provision of the law by requiring coverage for prostascint imaging for a nonsymptomatic man who has an above normal prostrate membrane antigen expression.

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



Jeanne Jarrett, CPA
Director

March 12, 2001