

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3623-01
Bill No.: SB 871
Subject: Makes changes to anatomical donation law; requires bone marrow testing coverage
Type: #Corrected
Date: May 1, 2002
#Received additional information.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Highway Fund	(\$12,000)	\$0	\$0
#All State Funds	\$0	\$0	\$0
Insurance Dedicated Fund	\$9,850	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$2,150)	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation** assume the proposed legislation would not fiscally impact their organization.

Officials from the **Department of Highways and Transportation** also responded for the **Missouri Highway Patrol**. The DHT officials stated this legislation requires health carriers to cover the cost for human leukocyte antigen testing without being subject to any greater deductible or co-payment. This legislation will have no fiscal impact on the MHTC. The Highway and Patrol Medical Plan is not included in the definition of "health Carrier" in section 376.1350, but section 104.801 RSMo 2000, would require the Medical Plan to offer the same coverage as this legislation.

Currently the Medical Plan underwrites the coverage that this benefit would fall under and the histocompatibility locus antigen testing is covered under the Medical Plan's current contract. The current contract ends December 31, 2002. Due to this benefit currently being a covered service and assuming that this will be a covered service in future contracts, there would be no fiscal impact to the Highway and Patrol Medical Plan.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** stated this bill addresses anatomical donations by minors and antigen testing for bone marrow transplants.

This bill allows healthy persons to have a bone marrow test. The results of which would be filed with the National Marrow Donor Program. The insurance company is responsible for one test per member's lifetime.

According to a local laboratory, bone marrow testing is most commonly billed on the DR multiple CPT code level for each antigen to be identified. The CPT code is 86817 and ranges in cost from \$279 to \$338 per antigen.

Since every insured is eligible to undergo this testing, the plans' exposure to this additional cost could be significant. Our health plans would, in turn, try and recoup this cost by passing it along to the consumers through premium increases. The HCP health plans currently cover 114,768 individuals. However, since it is impossible to determine how many members would actually undergo the testing, the fiscal impact of this bill is unknown.

Oversight assumes the proposed legislation would result in an unknown cost exceeding \$100,000.

#**Oversight** received additional information that human leukocyte antigen testing is currently a ASSUMPTION (continued)

covered service under HCP. HCP assumes if this legislation passes, bone marrow agencies would widely publicize that insurance companies will pay for testing. HCP then assumes more insureds would undergo testing, thus increasing costs. **Oversight** assumes additional costs will be minimal.

Officials from the **Department of Health and Senior Services (DOH)** assume the proposed legislation will not fiscally impact the DOH. Marrow donor screening in Missouri is handled by the Heart of America Bone Marrow Donor Registry, a non-profit agency. For all potential donors with qualifying health benefit plans, the cost of screening (currently \$73 per potential donor) would be paid as a benefit of the health plan.

Officials from the **Department of Insurance (INS)** stated insurers and HMOs would be required to amend their policies to comply with the mandated coverage of bone marrow testing. Amendments must be filed with the INS. The INS estimates that 171 insurers and 26 HMOs would be required to file at least one amendment to their policy form with a filing fee of \$50, resulting in revenue of \$9,850. The INS has reached capacity in policy form reviews and the additional workload created by this legislation will cause delays in policy form reviews. Additional staff are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form amendments, the INS will need to request additional staff to handle the increase in the workload.

Officials from the **Department of Revenue (DOR)** provided the following assumptions:

ADMINISTRATIVE IMPACT
Division of Motor Vehicle and Drivers Licensing

The Division of Motor Vehicles and Drivers Licensing will be required to make program modifications to the over-the-counter system.

120	Estimated programming hours
x \$100	Contracted programming rate
<u>\$12,000</u>	Total Programming Costs

To implement this legislation, the DOR will require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

This legislation places a cap on the highway funding available to state departments other than the Department of Transportation. The total amount of highway funds appropriated to these other state departments (including the DOR) cannot exceed the total amount of their fiscal year 2001 ASSUMPTION (continued)

highway appropriations. This cap limits the highway funds that will be available for the implementation of this legislation.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

Officials from the **Department of Social Services (DOS) - Division of Medical Services (DMS)** stated there would be no fiscal impact on the DMS due to the following: Currently Missouri Medicaid pays for histocompatibility locus antigen testing for A, B, or C, and DR/DQ antigens. Donor charges for persons who are not Missouri Medicaid recipients are currently paid through the transplant program with prior authorization. Charges included are the testing of all related donors as well as DR and MLC testing for the final matched donor. The Healthy Children and Youth (HCY) program reimburses for DR and MLC testing of unrelated potential donors. Lowering the age of possible donors would not impact the division if it is already funded as stated above.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ALL STATE FUNDS			
#Increase in Insurance Premiums	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
#NET ESTIMATED EFFECT ON ALL STATE FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
INSURANCE DEDICATED FUND			
<u>Income - Department of Insurance</u>			
Filing Fees	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Income</u> - Department of Insurance	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>
NET ESTIMATED EFFECT ON INSURANCE DEDICATED FUND	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>

HIGHWAY FUND

Fy

Costs - Department of Revenue

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Programming Costs	<u>(\$12,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$12,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would be expected to experience a negative fiscal impact as a result of this proposal due to an increase in health insurance premiums. The net effect is unknown.

DESCRIPTION

This act makes changes related to anatomical donations. Current law outlines the procedure for making an anatomical donation. New language allows minors age sixteen or older to make an anatomical donation with parental consent. The consent must be noted on the minor's donor card, application, driver's license, or other gift document.

A new section requires certain health carriers and benefit plans to cover human leukocyte antigen testing for use in bone marrow transplantation. Testing must be performed in an appropriate facility. A form indicating informed consent must be completed which will authorize use of the results in the National Marrow Donor Program. Health plans may limit enrollees to one testing per lifetime, but may not charge extra fees for the test.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

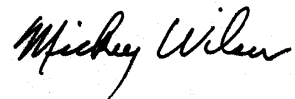
SOURCES OF INFORMATION

Missouri Department of Conservation

CM:LR:OD (12/01)

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Missouri Highway Patrol
Department of Highways and Transportation
Missouri Consolidated Health Care Plan
Department of Revenue
Department of Social Services
Department of Health and Senior Services
Department of Insurance

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
May 1, 2002