

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4154-01
Bill No.: SB 1064
Subject: Health Care; Insurance - Medical; Insurance Department
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
All funds	(Unknown)	(Unknown)	(Unknown)
Insurance Dedicated	\$9,850	\$0	\$0
Total Estimated Net Effect on <u>All State Funds</u>	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All Federal Funds</u>	\$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 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Conservation**, the **Department of Health and Senior Services**, the **Department of Mental Health**, and the **Department of Social Services** assume this proposal would not fiscally impact their agencies.

Officials from the **Department of Insurance (INS)** assume insurers and HMOs would be required to amend their policies to comply with this legislation. Amendments must be filed with INS. 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 in FY 2003. INS has reached capacity in policy form reviews and the additional workload created by this legislation would 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 department would need to request additional staff to handle the increase in workload.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer their fiscal note response to the Department of Transportation.

Officials from the **Department of Transportation (DHT)** assume this legislation requires health carriers to provide coverage for the treatment of maple syrup urine disease (MSUD) effective January 1, 2002. The Highway & Patrol Medical Plan is not included in the definition of "health carrier", but section 104.801 RSMo.2000 would require the Medical Plan to offer similar coverage. As a result, this legislation would have a fiscal impact on the Highway & Patrol Medical Plan. There would be no fiscal impact on DHT.

DHT assumes that MSUD is an inherited metabolic disorder that, if untreated, causes mental retardation, physical disabilities and death. DHT states it is a rare disorder, believed to be in all ethnic groups worldwide and the national incidence is 1 in 225,000 births. Treatment of this disorder involves a complex approach of maintaining metabolic control through a special, carefully controlled daily diet. Currently the Highway & Patrol Medical Plan covers appropriate medically necessary services and supplies in the treatment of a condition. The only exception would be formula and food supplements. Due to the low incident rate of this disorder, DHT assumes there would be no or very minimal fiscal impact to the Medical Plan.

Officials from the **Missouri Consolidated Health Care Plan** state in the 2001 regular session, a law was passed requiring the Department of Health to include maple syrup urine disease in the required newborn screenings subject to available appropriations.

ASSUMPTION (continued)

HCP states this bill requires insurance companies to cover the cost of the screening. Since the

cost of newborn screenings would be covered under our health plans, this bill will have an impact on HCP. HCP researched the tests listed and determined their usual and customary charges. The cost at a Missouri laboratory is \$50 for each screening listed. This cost represents the initial cost and not the qualitative cost that would result if the results were positive. Positive results would require the providers to run even more tests.

The health plans would try to recoup their costs by increasing premiums. The cost associated with this bill, however, is too difficult to determine.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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ALL FUNDS

<u>Cost - All funds</u>			
Increased state contribution	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON ALL FUNDS	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
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INSURANCE DEDICATED FUND

<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON INSURANCE DEDICATED	<u>\$9,850</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

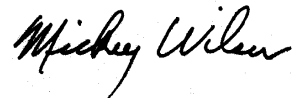
This proposal mandates health insurance coverage for Maple Syrup Urine Disease (MSUD).

Such coverage will not be subject to greater deductibles or copayments than similar services offered by the plan. This act does not apply to certain insurance policies.

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



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Acting Director
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