

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4204-03
Bill No.: SB 1061
Subject: Insurance - Medical; Health Care; Insurance Department
Type: Original
Date: February 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Insurance Dedicated	(\$42,225)	(\$47,538)	(\$48,744)
Total Estimated Net Effect on <u>All</u> State Funds	(\$42,225)	(\$47,538)	(\$48,744)

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 3 pages.

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Department of Insurance (INS)** assume that in order to review all policy form filings and adequately protect consumers that additional staff will be needed to comply with the 30 day period. Currently policies are filed and deemed approved until the INS has notified the company otherwise. INS states this legislation changes the INS's ability to adequately review policies and make changes after 30 days. The INS estimates that to comply with the 30 day review timeframe it will need an additional 1 Insurance Product Analyst II. The additional FTE will allow the department to review and approve or disapprove policies within the 30 day time frame.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
INSURANCE DEDICATED FUND			
<u>Costs - Department of Insurance</u>			
Personal Service (1 FTE)	(\$26,291)	(\$32,338)	(\$33,147)
Fringe Benefits	(\$9,467)	(\$11,645)	(\$11,936)
Expense and Equipment	<u>(\$6,467)</u>	<u>(\$3,555)</u>	<u>(\$3,661)</u>
<u>Total Costs - Department of Insurance</u>	(\$42,225)	(\$47,538)	(\$48,744)
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$42,225)</u>	<u>(\$47,538)</u>	<u>(\$48,744)</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

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

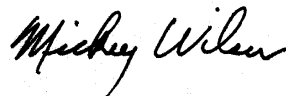
DESCRIPTION

This proposal holds that whenever a health service corporation submits a policy form to the Director of Insurance, and the Director does not disapprove the form within 30 days, the form is deemed approved and is not subject to disapproval or further review for 24 months. This proposal also holds that whenever an HMO modifies any of the information or procedures in its certificate of authority, the modification shall be deemed approved within 30 days of filing unless the Director of Insurance rejects the modification citing specific reasons. The approved modification shall not be subject to disapproval or further review for a period of 24 months.

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



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Acting Director
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