

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2686-01
Bill No.: SB 910
Subject: Insurance - Medical; Health Care
Type: Original
Date: February 10, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Conservation Fund*	(Unknown)*	(Unknown)*	(Unknown)*
Insurance Dedicated Fund	\$8,000	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)*	(Unknown)*	(Unknown)*

* Not expected to exceed \$100,000 annually.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the HCP plans currently provide coverage for obesity treatment if authorized by the plan as medically necessary. The plans require the existence of comorbidity conditions (hypertension, diabetes, etc.) before plan authorization.

This proposal requires plans to offer optional coverage for weight reduction counseling if a member is “at least fifty pounds overweight and has been diagnosed by a physician to have current or potential future health problems related to such excess weight.” The proposal states the counseling may be on an individual or group basis but does not specify the treatment plan or the coverage level.

This proposal provides broader treatment for obesity than is found under HCP plans. HCP expects an increase in the number of members seeking this care. Since there is no way to determine the number of members who will seek counseling, it is difficult to determine the overall affect of the proposal. However, it is expected to be minimal.

Oversight assumes minimal increases can be absorbed by the HCP plans.

ASSUMPTION (continued)

Officials from the **Missouri Department of Conservation (MDC)** state this proposal appears to have a potential impact on MDC funds not to exceed \$100,000 annually.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of the proposal on their organization.

Officials from the **Missouri Department of Transportation (DOT)** state the Highway and Patrol Medical Plan is not expressly included in the proposal. However, Section 104.801, RSMo 2000, would require the Medical Plan to offer similar coverage. Currently, the Medical Plan does not offer coverage for weight reduction counseling services. As a result, the Medical Plan would have to offer optional coverage for these individuals. Because this coverage is optional, the total cost for this coverage would be passed on to participants that choose the coverage and would have no fiscal impact to the Highway and Patrol Medical Plan.

Officials from the **Department of Insurance (INS)** state the INS estimates 160 insurers and HMOs would be required to submit amendments to their policies to comply with this proposal. Policy amendments must be submitted to the INS for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews, the INS will need to request additional staff to handle the increase in workload.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
---	---------------------	---------	---------

CONSERVATION FUND

Costs - Missouri Department of
 Conservation

Increase in health insurance premium costs	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>
--	-------------------	-------------------	-------------------

ESTIMATED NET EFFECT ON CONSERVATION FUND*	<u>(Unknown)*</u>	<u>(Unknown)*</u>	<u>(Unknown)*</u>
--	--------------------------	--------------------------	--------------------------

INSURANCE DEDICATED FUND

Income - Department of Insurance

Form Filing Fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
------------------	----------------	------------	------------

ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
--	-----------------------	-------------------	-------------------

* Not expected to exceed \$100,000 annually.

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
---	---------------------	---------	---------

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	------------	------------	------------

FISCAL IMPACT - Small Business

Small businesses that provide health insurance coverage for employees and elect to provide the optional coverage for weight reduction counseling services may be fiscally impacted by this proposal.

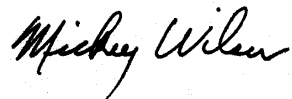
DESCRIPTION

This proposal requires insurance companies to offer coverage for weight reduction counseling services for persons who are 50 pounds or more overweight and have been diagnosed by a doctor that such excess weight is or will create health problems.

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



Mickey Wilson, CPA
Director
February 10, 2004