

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0249-01
Bill No.: SB 110
Subject: Insurance - General; Insurance Dept.; Psychologists
Type: Original
Date: January 10, 2005

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|---|--|--|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| General Revenue | (Unknown exceeding \$50,000) | (Unknown exceeding \$100,000) | (Unknown exceeding \$100,000) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (Unknown exceeding \$50,000) | (Unknown exceeding \$100,000) | (Unknown exceeding \$100,000) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Federal | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds* | \$0 | \$0 | \$0 |

* Revenues and expenditures unknown exceeding \$150,000 annually and net to \$0.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Missouri Department of Transportation (DOT)** and **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organizations.

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

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state the proposal would require reimbursement to a licensed professional counselor who has received a doctor of philosophy degree with a major in counseling, equivalent to that of a psychologist. Some additional cost to the plan could be incurred as a result in higher reimbursement of these counselors. However, this amount is expected to be minimal and therefore, absorbable within current funding levels.

ASSUMPTION (continued)

HWC:LR:OD (12/02)

Officials from the **Department of Mental Health (DMH)** state the proposal applies to commercial insurance carriers. The DMH does not fall under the definition of health carrier. However, DMH does provide services under the Medicaid program which officials of the Department of Social Services do consider to be covered by this proposal. The reimbursement rate structure for DMH Medicaid program services funded with General Revenue match does not reimburse services provided by a rate structure based on the credentials and qualifications of those providing the services. For example, under the CSTAR program individual counseling is covered but is a part of the rehabilitation program, which is reimbursed at one rate to all providers. Therefore, increases in Medicaid rates for services by licensed professional counselors would not have a direct fiscal impact on the DMH.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume any changes to Section 276 RSMo, apply to the Medicaid program.

Currently licensed professional counselors are paid different rates than psychologists for Medicaid-covered services. On average, the rates paid to licensed professional counselors are \$7.93 less per unit than rates paid to psychologists. During the period 10-01-03 to 09-30-04, 478,084 units of service were billed by licensed professional counselors and there are currently more than 1,400 Medicaid provider numbers issued to licensed professional counselors. It is unknown how many of these units were provided by licensed professional counselors with a Ph.D. If only 31,554 units of service were delivered by licensed professional counselors with a Ph.D., the impact to DMS would be greater than \$250,000 annually; only 12,622 units of service would need to be delivered for the increased cost to General Revenue to exceed \$100,000. Therefore, the fiscal impact of the proposal is unknown, but expected to be greater than \$250,000 annually (\$100,000 General Revenue).

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (6 Mo.) | FY 2007 | FY 2008 |
|---|--|---|---|
| GENERAL REVENUE FUND | | | |
| <u>Costs - Department of Social Services - Division of Medical Services</u> | | | |
| Increase in Medicaid program payments | <u>(Unknown exceeding \$50,000)</u> | <u>(Unknown exceeding \$100,000)</u> | <u>(Unknown exceeding \$100,000)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>(Unknown exceeding \$50,000)</u> | <u>(Unknown exceeding \$100,000)</u> | <u>(Unknown exceeding \$100,000)</u> |

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (6 Mo.) | FY 2007 | FY 2008 |
|--|---|--|--|
| FEDERAL FUNDS | | | |
| <u>Income - Department of Social Services - Division of Medical Services</u> | | | |
| Increase in Medicaid program reimbursements | Unknown exceeding \$75,000 | Unknown exceeding \$150,000 | Unknown exceeding \$150,000 |
| <u>Costs - Department of Social Services - Division of Medical Services</u> | | | |
| Increase in Medicaid program expenditures | <u>(Unknown exceeding \$75,000)</u> | <u>(Unknown exceeding \$150,000)</u> | <u>(Unknown exceeding \$150,000)</u> |
| ESTIMATED NET EFFECT ON FEDERAL FUNDS* | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

*** Revenues and expenditures unknown exceeding \$150,000 annually and net to \$0.**

| <u>FISCAL IMPACT - Local Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|-------------------|-------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

This proposal may result in an increase in insurance-related costs for small businesses that offer health insurance coverage for their employees. The proposal may also increase revenues for small business counselors providing services.

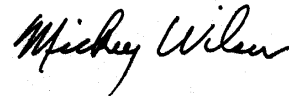
DESCRIPTION

This proposal requires health insurance benefit plans to reimburse a licensed professional counselor with a Ph.D. in counseling at the same rate as a licensed psychologist.

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 Mental Health
Department of Social Services -
 Division of Medical 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



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Director
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