

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5560-01
Bill No.: SB 769
Subject: Insurance - Medical; Mental Health; Physicians; Psychologists
Type: Original
Date: February 17, 2014

Bill Summary: This proposal requires health benefit plans to cover diagnosis and treatment of eating disorders.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown, less than \$12,500)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown, less than \$12,500)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

*Income and expenditures in FY 2015 net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - MO HealthNet Division (MHD)** assume this legislation revises Chapter 376, RSMo. The MHD assumes since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants. MHD managed care covered 800 patients with eating disorders in FY 13.

The first year cost is for an actuarial study to determine the impact of this requirement on rate ranges to ensure actuarial soundness as required by the Centers for Medicare and Medicaid Services. The cost of the analysis will depend on the complexity of the analysis needed to address this program change. At a minimum, the actuarial study would include a survey of the Managed Care health plans to determine their current practices related to determining medical necessity for coverage of eating disorders. The health plan criteria may be different from the Practice Guidelines for the Treatment of Patients with Eating Disorders, as most recently published by the American Psychiatric Associations. The expected utilization change due to the difference in the criteria would determine the fiscal impact to the capitation rates. The cost of the study could be up to \$25,000. It is assumed that capitation rates would increase in year 2 and forward; however, the impact is unknown at this time.

Officials from the **Department of Health and Senior Services**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Department of Mental Health**, and the **Department of Insurance, Financial Institutions and Professional Registration** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to Department of Transportation for fiscal impact.

Officials from the Department of Transportation did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Costs - DSS-MHD</u>			
Actuarial cost of increased coverage	(Unknown less than \$12,500)	\$0	\$0
Increase in state share of capitation rates paid to HMOs	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown less than \$12,500)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FEDERAL FUND			
<u>Income - DSS-MHD</u>			
Increase in program reimbursements	Unknown, less than \$12,500	Unknown	Unknown
<u>Costs - DSS-MHD</u>			
Increase in program expenditures	<u>(Unknown, less than \$12, 500)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

FISCAL DESCRIPTION

This proposal requires all health benefit plans to provide coverage for the diagnosis and treatment of eating disorders. The proposal also prohibits various acts by health benefit plans that may disincentivize providers from providing treatment or patients from accepting less treatment than is permitted under the act. The proposal further requires that the provided coverage include a broad array of specialist services as proscribed as necessary by the patient's treatment team. The proposal requires that services covered by the act require no greater deductible or co-payment than other health care services provided by the health benefit plan. Supplemental insurance policies are exempted from the requirements of the act.

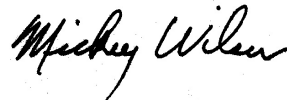
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions, and Professional Registration
Department of Social Services
 MO HealthNet Division
Department of Public Safety -
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Mental Health

Not Responding

Missouri Department of Transportation



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