

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5934-06  
Bill No.: SCS for SB 928  
Subject: Emergencies; Health Care; Health Care Professionals; Insurance - Health; Physicians  
Type: Original  
Date: March 12, 2018

Bill Summary: This proposal modifies provisions relating health insurer reimbursement practices.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Insurance Dedicated Fund	Up to \$20,000	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to \$20,000</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the following:

#### 376.690

This section would have an unknown fiscal impact to DIFP. In order to carry out the responsibilities of section 376.690.4, which requires DIFP to ensure access to a mediation process when a health care professional objects to applications of established payments described in the bill, DIFP would either need to modify and rebid our existing Independent Review Organization (IRO) contract to include mediation or need to request additional FTE and expenses to perform these functions. DIFP currently does not have the expertise in this area and estimates it would need an Attorney and at two additional Consumer Compliant Specialists with a clinical medical background. DIFP would first attempt to modify and rebid the IRO contract and if no acceptable bids were received, then would request additional FTE and appropriation through the budget process.

#### 376.1367

This section may require policy amendments be submitted to the department for review along with a \$50 filing fee. The department expects to see a filing influx of 400 filings. One time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$20,000 (400 x \$50). 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 department will need to request additional staff to handle increase in workload

Officials from the **Department of Social Services**, the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Missouri Consolidated Health Care Plan** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>INSURANCE DEDICATED FUND</b>			
<u>Revenue</u> - DIFP \$50 filing fee	<u>Up to \$20,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs</u> - DIFP - \$376.690 - potential additional costs to ensure access to a medication process	<u>\$0</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE INSURANCE DEDICATED FUND</b>	<b><u>Up to \$20,000</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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

The act prohibits carriers from reducing payments for evaluation and management services that are otherwise eligible for reimbursement when reported by the same provider on the same day as a procedure.

The act specifies that payment for all services shall be made directly to providers when the carrier has authorized the patient to seek such services from a provider outside the carrier's network.

This act specifies that health care professionals shall send any bill for charges incurred for unanticipated out-of-network care to the patient's health carrier, and the carrier shall pay the professional directly. The act specifies how the payments are to be calculated, including with regard to cost-sharing requirements such as copayments, coinsurance, deductibles, and out-of-pocket maximums.

FISCAL DESCRIPTION (continued)

The Director of the Department of Insurance, Financial Institutions, and Professional Registration shall ensure access to a mediation process when a health care professional objects to the payments described in the act. The Department shall determine usual and customary rates for payments for health care services based on benchmarks from independent nonprofit organizations that are not affiliated with insurance carriers or provider organizations. The act specifies that health care professionals may initiate mediation if they believe the payment received for unanticipated out-of-network care does not properly account for certain factors. Health care professionals may combine similar claims and claims presenting a common issue of fact to be resolved in a single mediation process.

This act specifies that necessity of emergency services to screen and stabilize a patient shall be determined by the treating physician.

Before a health carrier retrospectively denies payment for an emergency service, a qualified physician shall review the enrollee's medical records regarding the emergency condition at issue.

Carriers shall not deny payment based predominantly on current procedural terminology or International Classification of Diseases (ICD) codes.

The act increases, from 30 minutes to 60 minutes, the amount of time health carriers have to provide authorization decisions for immediate post evaluation or post stabilization services before the services are deemed approved. Emergency service benefit payments shall be paid directly to the health care provider by the health carrier, regardless of whether the provider participates in the carrier's network


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

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SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration  
Department of Social Services  
Department of Health and Senior Services  
Department of Mental Health  
Missouri Consolidated Health Care Plan

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe".

Acting Director  
March 12, 2018