

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2110-05  
Bill No.: Truly Agreed To and Finally Passed SS for SB 414  
Subject: Boards, Commissions, Committees and Councils; Federal - State Relations;  
Health - Public; Insurance - Health; Department of Insurance, Financial  
Institutions and Professional Registration  
Type: Original  
Date: June 10, 2019

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Bill Summary: This proposal enacts provisions relating to innovation in health insurance.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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 2020	FY 2021	FY 2022
Insurance Dedicated Fund (0566)	(\$260,000)	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$260,000)</b>	<b>\$0</b>	<b>\$0</b>

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Sections 376.1180 and 376.1182**

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate meeting and associated travel costs of the Task Force members not to exceed \$10,000.

The department also estimates the costs of an actuarial review to be approximately \$250,000. DIFP assumed the costs to be expended from the Insurance Dedicated Fund.

**Oversight** notes that the DIFP has stated the proposal would have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect DIFP estimates.

Officials from the **Missouri Senate (SEN)** anticipate a cost of \$294 to reimburse travel for 3 senators to attend task force meetings.

**Oversight** assumes the travel expenses of the Senators to be included in the \$10,000 estimate for the task force members provided by DIFP.

Officials from the **Department of Social Services** and the **Office of the Secretary of State** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Missouri House of Representatives (MHR)** assumed this proposal will have no fiscal impact on their agency. MHR assumes any expenses incurred by members serving on the task force can be absorbed.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

**Oversight** notes the task force is required to issue a final report by December 31, 2019, unless the deadline is extended by majority vote of the task force; therefore, Oversight will only reflect costs of the task force in FY 2020.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>INSURANCE DEDICATED FUND</b>			
<u>Cost - DIFP (\$376.1180 &amp; §376.1182)</u>			
Travel cost for Task Force Members	(\$10,000)	\$0	\$0
Actuarial Review	<u>(\$250,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost - DIFP</u>	<u>(\$260,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE INSURANCE DEDICATED FUND</b>	<b><u>(\$260,000)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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 act creates the "Missouri Health Insurance Innovation Task Force" with the purpose of soliciting concepts and making recommendations for a Section 1332 innovation waiver application under the Affordable Care Act. The task force shall focus on improving access to health care, decreasing premiums, and increasing the number of carriers.

The task force shall consist of members specified in the act, with the Director of the Department of Insurance, Financial Institutions, and Professional Registration to serve as chair. Members shall serve without compensation, but members and staff shall be reimbursed for actual and necessary expenses. The Director may expend funds as necessary to conduct the business of the task force, including commissioning actuarial reviews of waiver concepts considered by the task force.

No later than December 31, 2019, unless a majority of the Task Force votes to extend the deadline, the chair shall complete a final report of the task force's activities and recommendations, to be delivered to the Governor, Speaker of the House, and President Pro Tempore of the Senate. Recommendations of the task force shall be revenue neutral.

FISCAL DESCRIPTION (continued)

The act authorizes the Department to work with the task force and with the Centers for Medicare and Medicaid Services to develop innovative ways to transform the health insurance marketplace and to submit applications for a section 1332 innovation waiver under the Affordable Care Act.

The act shall not be construed to permit the Department, or any other state agency, to implement or operate a state-based exchange or to facilitate in the operation of a federally facilitated marketplace as otherwise prohibited by law. However, the state may take over ancillary administrative functions in furtherance of the objectives of the act.

Provided the General Assembly accepts the task force's findings by filing with the Secretary of State no later than March 15, 2020, a petition signed by at least 2/3s of the members of each chamber, the Director shall, subject to approval of the Governor and no later than December 31, 2020, or as soon as practicable following the enactment of any legislation necessary for the state to qualify, submit an application to the submit an application to the Centers for Medicare and Medicaid Services seeking approval of a section 1332 innovation waiver based on the recommendations of the task force.

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  
Missouri House of Representatives  
Missouri Senate  
Office of the Secretary of State



Kyle Rieman  
Director  
June 10, 2019

Ross Strobe  
Assistant Director  
June 10, 2019