

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1219-01  
Bill No.: SB 289  
Subject: Business and Commerce; Employees - Employers; Health Care; Insurance - Medical  
Type: Original  
Date: February 5, 2001

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**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Unknown income and expenditures annually would net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Conservation** and the **Department of Transportation** assume this proposal would not fiscally impact their agencies.

**Missouri Consolidated Health Care Plan (HCP)** officials state that anytime a group is up for rebid, insurers are able to produce claims reports to re-evaluate the group's rates. HCP states that insurers usually provide a copy to the group to seek other bids as well. HCP further states that insurers currently have the capability of producing claims reports so no fiscal impact is anticipated.

Officials from the **Department of Insurance (INS)** state that market conduct staff would include proposal in review of company files during examinations. INS anticipates that implementation of this proposal can be absorbed by existing staff.

**Department of Social Services - Division of Medical Services (DMS)** officials state that DMS would be affected by this proposal because it administers a managed care program which contracts with health maintenance organizations (HMOs) for the purpose of providing health care services through capitated rates. These HMOs would be subject to the regulations in this proposal. DMS assumes that any additional cost incurred by managed care contractors because of mandated Federal or State laws would increase the administrative costs included in future bids with the Medicaid program.

**Oversight** assumes that the HMOs have the capability of producing claims reports and there would be no fiscal impact.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** did not respond to our fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses (insurance companies and HMOs) would expect to be fiscally impacted to the extent that they would incur additional administrative costs as a result of the requirements of this proposal.

DESCRIPTION

This proposal would require insurers to provide annual claims reports to group policyholders.

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 Transportation  
Department of Social Services  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Department of Conservation

**NOT RESPONDING: Department of Public Safety - Missouri State Highway Patrol**



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Director

February 5, 2001