

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5298-02
Bill No.: HCS for HB 1576
Subject: Children and Minors; Insurance - Medical
Type: Original
Date: February 17, 2012

Bill Summary: This proposal allows certain foster parents to purchase health insurance through the Missouri Consolidated Health Care Plan.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Budget & Planning (BAP)** assume this proposal should not result in additional costs or savings to BAP. This proposal allows individual foster parents to buy coverage through the Missouri Consolidated Health Insurance Plan. Budget and Planning defers to Missouri Consolidated Health Care Plan to determine if there would be any cost to MCHCP or the state.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this proposal allows certain foster parents to purchase health insurance through the MCHCP.

MCHCP has not assessed a fiscal impact because MCHCP assume the foster parent is responsible to pay the total premium without a contribution made by the State or MCHCP. MCHCP provides subscriber only, subscriber and spouse, subscriber and child(ren) and subscriber and family coverage levels. MCHCP assumes foster parents will enroll in these coverage levels at the same percentage as active state employees. Therefore, the average weighted premium for all coverage levels is \$824.48 per month.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume there will be no fiscal impact to their agency.

Officials from the **Department of Social Services - Children's Division** assume even though the proposal requires qualifying foster parents to pay the premium rate for the purchase of the same state health plan available to state employees, this proposal does not appear to account for the non-premium benefit cost of providing such insurance benefits to foster parents in the same manner as state employees. The state agency paid non-premium portion of the state employees' health insurance benefit is significantly more than the actual premium that state employees pay to purchase the health care plan available through Missouri consolidated health care.

The Children's Division would anticipate minimal administrative costs to provide eligibility documentation to qualify foster parents for their purchase of state health care insurance. However, the responsibility for payment of the non-premium portion of health insurance is unclear.

The Children's Division would not anticipate a fiscal impact as the result of this proposal should it become law.

ASSUMPTION (continued)

Officials from the **Department of Social Services - OA - ITSD (DSS)** assume Section 103.078 allows for qualify foster parents to purchase state health insurance through the Missouri Consolidated Health Care Plan. There is no impact to the OA - ITSD on this portion of the proposal.

Section 210.539 allows for qualifying foster care parents to purchase state health insurance through MCHCP. DSS must provide documentation of eligibility prior to the purchase of any insurance. ITSD - DSS must provide an initial file to the MCHCP of all qualifying Foster Care parents. ITSD - DSS must provide a regular file to MCHCP of any additions to and deletions from the file of qualified Foster Care parents.

ITSD - DSS assumes the initial cost is 180 hours for Analysis/Specifications, 360 hours Coding/JCL and 180 hours Test/UAT. A total of 720 hours at \$42.56 per hour = \$30,643.20. The initial file run, approximately \$35.00 and the ongoing update file \$25.00 per run x 52 runs = \$1,300 per year. The total cost for FY 13 is FACES programming \$30,643.20, Initial file run \$35.00 and ongoing update file \$1,300, net total \$31,978.20.

Oversight assumes this would be accomplished during the normal budgetary process. There should be minimal cost to providing the information to the MCHCP. It is assumed since these cost would be minimal the impact would be \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

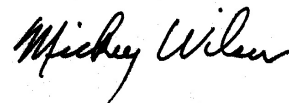
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Office of Administration -
 Division of Budget & Planning
Missouri Consolidated Health Care Plan
Department of Insurance, Financial Institutions &
 Professional Registration
Department of Social Services -
 Children's Division
 OA - ITSD - DSS



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Director
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