

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6080-01
Bill No.: Perfected HB 2337
Subject: Education, Higher; Health Care
Type: Original
Date: March 15, 2016

Bill Summary: This proposal specifies that public colleges and universities must not bind students to third-party contracts for health insurance without written approval.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2017 | FY 2018 | FY 2019 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

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 2017 | FY 2018 | FY 2019 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal would prohibit higher education institutions from binding students to a third-party contract for the provision of health insurance without written approval of the student or the student's guardian.

Oversight notes that the Affordable Care Act required all Americans beginning in 2014 to have health insurance. Oversight found that the University of Missouri, University of Central Missouri and Missouri State University all require international students to provide proof of insurance or take the institution's health insurance plan. The institutions only require international students to take the health insurance plan as they are not covered by the Affordable Care Act. These institutions have no requirements for domestic students.

Officials at the **Department of Higher Education** assume there is no fiscal impact from this proposal.

Officials at the **Northwest Missouri State University** assume the University does not require or offer health insurance to domestic students. The University does require international students to purchase insurance through a university-sourced International Student Plan. Releasing international students from this requirement has significant cost concerns, but the costs are difficult to quantify.

Officials at the **University of Central Missouri (UCM)** assume there is no fiscal impact on UCM as long as international students could still be required to sign for and purchase health insurance of UCM's choosing. Ensuring international students have accessible health coverage is essential for the students, and for UCM. However, if UCM were barred from signing international students for a third-party health insurance provider, the increased costs would be significant, not to mention the loss of international student revenues if the problem could not be solved, which would exceed \$500,000 per year.

Officials at the **State Technical College of Missouri** assume there is no fiscal impact from this proposal.

Oversight notes this proposal does not require institutions to stop providing services, it just requires written approval from the student. Oversight assumes the Colleges and Universities can implement this proposal with existing resources.

| <u>FISCAL IMPACT - State Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>FISCAL IMPACT - Local Government</u> | FY 2017 (10 Mo.) | FY 2018 | FY 2019 |
| | <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.

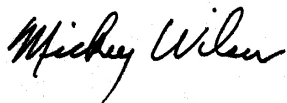
FISCAL DESCRIPTION

The proposed legislation appears to have no direct 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

Department of Higher Education
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri



Mickey Wilson, CPA
Director
March 15, 2016

Ross Strobe
Assistant Director
March 15, 2016