

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4844-01
Bill No.: HB 1658
Subject: Health Care; Disabilities; Children and Minors; Insurance - Health
Type: Original
Date: February 1, 2018

Bill Summary: This proposal changes the laws regarding health care for persons with disabilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Unknown greater than \$1,000,000)	(Unknown greater than \$1,000,000)	(Unknown greater than \$1,000,000)
Total Estimated Net Effect on General Revenue	(Unknown greater than \$1,000,000)	(Unknown greater than \$1,000,000)	(Unknown greater than \$1,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Insurance Dedicated	Up to \$19,850	\$0	\$0
Road	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§201.030, 201.040 and 376.1223- Health care for persons with disabilities

Officials from the **Department of Health and Senior Services (DHSS)** state cognitive services and services for individuals with developmental disabilities, as described in the proposal are currently being provided by the Department of Mental Health (DMH), Division of Development Disabilities (DD) via the Division's four federal waiver programs: Partnership for Hope, Community Support, Missouri Children's Developmental Disabilities (Lopez), and Comprehensive waivers. The Division of DD receives an appropriation for five autism projects funded around the state, including an appropriation for contracting with institutions specializing in the diagnosis and treatment of autism spectrum disorders.

This proposal would appear to create duplication of a number of services available in these waivers. Individuals must qualify for services based on criteria established for each waiver, and as such, some individuals that do not qualify for waived services may be eligible to be served through the children's special healthcare needs service as described in Section 201.030.

§201.030 - Expansion of eligibility and services for children with special health care needs

DHSS states the Children and Youth with Special Health Care Needs (CYSHCN) is the program within the Department of Health and Senior Services designated as the agency of this state to provide services to children (age zero to 21) who have a physical disability or special health care need, per Section 201.030, RSMo. The CYSHCN program is a state funded program designed to be the payer of last resort in funding medically necessary diagnostic and treatment services for individuals with a physical disability whose family income is at or below 185% of the federal poverty level.

The proposed legislation within section 201.030, would require the CYSHCN to expand eligibility and type of services provided to include serving children with a developmental disability as defined in Section 630.005. Currently, the Department of Mental Health (DMH) serves many children with these disabilities through an array of federal waiver programs and other state funded services. The number of children who would seek services for these conditions through CYSHCN is unknown. Individuals must qualify for the DMH waivers based on certain criteria and those individuals unable to meet the criteria may be eligible for the CYSHCN program. Section 201.030 of the proposed legislation requires the CYSHCN program to cover habilitative and rehabilitative services. The total cost to provide these services is unknown as the amount and types of service is unique to the child; but of significance, as these types of care are costly.

ASSUMPTION (continued)

§201.040 - Individuals eligible for services

DHSS officials provide that section 201.040 of the proposed legislation changes the eligibility for the CYSHCN program to include children with a developmental disability, as defined in Section 630.005, or because of behaviors that are a manifestation of his or her condition. These are populations not currently served by the CYSHCN program. The total cost to provide services to these populations is unknown as the amount and types of service is unique to the child.

Officials from the **Office of Administration (OA), Division of Budget & Planning (B&P)** state Section 201.030 expands the Children and Youth with Special Health Care Needs (CYSHCN) to serve children with a developmental disability, as defined in Section 630.005, RSMo. Additionally, habilitative and rehabilitative services are added to the list of services covered by the CYSHCN program. Section 201.040 adds services related to a child's behaviors that are a manifestation of their condition to what is required to be covered without charge. This program is administered by DHSS. B&P defers to DHSS for the impact of these provisions.

§376.1223 - Prohibits third party payers from limiting coverage

DHSS officials state Section 376.1223 of the proposed legislation prohibits third party payers from limiting coverage or denying reimbursement of services for individuals with a physical or developmental disability as defined in Section 630.005. The DMH currently serves many of these children; therefore, the cost to the CYSHCN program is unknown.

In order to expand the CYSHCN program as proposed, the program would incur unknown, but considerable costs to general revenue for additional staff, information technology services, and services for children. Therefore, this fiscal note has an (Unknown > \$1,000,000) impact to general revenue.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state policy amendments must be submitted to the department for review along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$19,850.

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 DIFP will need to request additional staff to handle the increase in workload.

ASSUMPTION (continued)

OA, B&P officials state Section 376.1223 stipulates that third-party payers for health care services shall not limit or deny reimbursement for treatment of symptoms and behaviors for individuals with physical or developmental disabilities in certain situations. Any necessary amendments to insurance policies resulting from this provision must be submitted to DIFP for review along with a \$50 filing fee. Any additional one-time revenues from these fees would be deposited to the Insurance Dedicated Fund and would increase total state revenue (TSR). This will not impact the state’s Article X, Section 18(e) calculation. B&P defers to DIFP for an estimate of potential revenues.

Bill as a whole

Officials from the **Missouri Department of Transportation (MoDOT)** state the proposal would have an unknown negative fiscal impact on their organization.

Officials from the **Department of Mental Health (DMH)** state this legislation relates to the children’s special health care needs service which is a general revenue funded program providing wrap-around services for eligible individuals. The DMH does not anticipate a fiscal impact as this refers to Department of Health and Senior Services funded wrap-around services which would be provided in addition to services already covered by the DMH.

Officials from the **Department of Public Safety, Missouri State Highway Patrol, the Department of Social Services, the Missouri Consolidated Health Care Plan** and the **Missouri Department of Conservation** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Costs - DHSS (§§201.030 and 201.040)</u>			
Personal service, equipment and expense, information technology updates, and program services	<u>(Unknown greater than \$1,000,000)</u>	<u>(Unknown greater than \$1,000,000)</u>	<u>(Unknown greater than \$1,000,000)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Unknown greater than \$1,000,000)</u>	<u>(Unknown greater than \$1,000,000)</u>	<u>(Unknown greater than \$1,000,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
INSURANCE DEDICATED FUND			
<u>Income - DIFP (\$376.1223)</u>			
Form filing fees	<u>Up to \$19,850</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	<u>Up to \$19,850</u>	<u>\$0</u>	<u>\$0</u>
ROAD FUND			
<u>Costs - MoDOT</u>			
Increase in state share of health care premium costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE ROAD FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<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

This bill prohibits any third-party payer for health care services from limiting coverage or denying reimbursement for treatment for physical, cognitive, emotional, mental, or developmental disabilities in specified situations.

The bill also designates the Children's Special Health Care Needs Service as the appropriate agency to administer services to children with physical or developmental disabilities.

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

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Public Safety -
 Missouri State Highway Patrol
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration -
 Division of Budget & Planning

Ross Strope



Acting Director
February 1, 2018