

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3650-01
Bill No.: HB 1517
Subject: Insurance - Health
Type: Original
Date: January 2, 2020

Bill Summary: This proposal modifies provisions relating to prosthetic and orthotic devices.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan** assume the proposal will have no fiscal impact on their organization as the plan administrator for 2020 (MCHCP/Anthem) is already in compliance with the proposed legislation.

Oversight notes that the Missouri Consolidated Health Care Plan has 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.

Oversight assumes that although the Missouri Consolidated Health Care Plan is in compliance with the proposed legislation for 2020 there may be some insurance plans that local political subdivisions carry that may or not be in compliance and therefore may experience an increase in cost. For fiscal note purposes, Oversight will range the cost to local political subdivisions as \$0 to (Unknown).

Officials from the **Department of Commerce and Insurance**, the **Department of Social Services**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Missouri Department of Conservation** and the **Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Office of Administration** defer to the Missouri Consolidated Health Care Plan to estimate the fiscal impact of the proposed legislation on their organization.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to Department of Transportation to estimate the fiscal impact of the proposed legislation on their organization.

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

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> - Coverage for orthotic devices and services	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</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 requires health carriers or health benefit plans to offer coverage for prosthetic and orthotic devices and services. If such items are covered under a plan such health carriers or health benefit plan shall not require a physician referral for any existing patients already covered for new prosthetic or orthotic devices or for coverage of maintenance and repair.

Additional, health carriers or health benefit plans are required to pay for prosthetic and orthotic devices and services that are approved for payment while the insurance coverage is in effect even if when the device is delivered the insurance is no longer in effect. A list of code descriptions for prosthetic and orthotic devices and services is included in the bill.

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 Commerce and Insurance
Department of Social Services
Department of Health and Senior Services
Department of Mental Health
Missouri Consolidated Health Care Plan
Office of Administration
Missouri Department of Conservation
Department of Transportation
Department of Public Safety
Missouri Highway Patrol



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January 2, 2020



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January 2, 2020