

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0609-01
Bill No.: HB 413
Subject: Health Care; Insurance - Medical; Insurance Dept.
Type: Original
Date: March 18, 2009

Bill Summary: Requires health insurers to provide coverage for human papillomavirus screenings for cervical cancer.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Insurance Dedicated	Up to \$5,600	\$0	\$0
Road	(Unknown less than \$50,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown less than \$50,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposal will not fiscally impact their organization.

Officials from the **Department of Public Safety (DPS) - Directors' Office** state they are unable to determine the fiscal impact of the proposal and defer to the Missouri Consolidated Health Care Plan for response regarding the potential fiscal impact.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state that HCP plans currently cover this type of laboratory testing in the same manner as any other similar health care service. Therefore, this bill has no fiscal impact.

Officials from the **Department of Social Services (DOS)** state the proposal will have no fiscal impact on the DOS because human papillomavirus (HPV) testing is already a covered service under the MO HealthNet program.

Officials from the **Missouri Department of Conservation (MDC)** state the proposed legislation would not appear to have a fiscal impact on MDC funds since such testing, if medically necessary, is covered by MDC's medical insurance program.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate up to 122 insurers could be required to submit amendments to their policies to comply with the legislation. 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 \$5,600.

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.

Officials from the **Missouri Department of Transportation (DOT)** state they assume an unknown fiscal impact from this legislation. The Plan is not included in the definition of health carrier in chapter 376; however, section 104.801 RSMo would require the Plan to provide similar coverage.

ASSUMPTION (continued)

Currently the DOT's Plan provides a \$350 preventive benefit for non-Medicare subscribers and non-Medicare spouses enrolled in the Plan and a \$200 preventive benefit for non-Medicare dependent children. The Plan also provides 100% coverage for the human papillomavirus vaccine and administration fee for females between the ages of nine and 26 years. The Plan also provides coverage under their standard benefits applicable to deductibles, co-payments and co-insurance for certain cancer screenings required by law.

If this legislation passes, the HPV screening can either be covered under the preventive benefit (if coded as preventive by the physician) up to their maximum allowable as stated above or the screening can be covered and applied to their deductible, co-payment and/or co-insurance amounts. If it is not applied to their preventive benefit, there is a potential fiscal impact to the Plan. This impact cannot be determined because the costs of the tests may be paid in full by the participant to fulfill their annual deductible. The costs would also be dependent upon the frequency required by law, whether it is covered annually; etc.; the ages allowed for the testing; and whether the test is performed at the same time as the office visit for a Pap test. If it is performed during a separate visit, there could also be an office visit charge. Currently our standard coverage for an annual Pap test and pelvic exam for cancer screenings is for females 18 years of age and older.

The fiscal impact would be minimal (less than \$100,000) because early detection of cervical cancer would offset the costs.

Oversight assumes the coverage for human papillomavirus screenings would become effective January 1, 2010.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (6 Mo.)	FY 2011	FY 2012
INSURANCE DEDICATED FUND			
<u>Income - DIFP</u>			
Form filing fees	<u>Up to \$5,600</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>Up to \$5,600</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2010 (6 Mo.)	FY 2011	FY 2012
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ROAD FUND

Costs - DOT

Increase in insurance costs	<u>(Unknown less than \$50,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
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ESTIMATED NET EFFECT ON ROAD FUND

	<u>(Unknown less than \$50,000)</u>	<u>(Unknown less than \$100,000)</u>	<u>(Unknown less than \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2010 (6 Mo.)	FY 2011	FY 2012
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

The proposal may impact small businesses that provide insurance coverage for their employees if health insurance premiums increase as a result of this legislation.

FISCAL DESCRIPTION

Beginning January 1, 2010, this proposal requires all health carriers and health benefit plans, excluding supplemental insurance policies, to include coverage for the cost of periodic human papillomavirus (HPV) screening for cervical cancer. The screening will be subject to the same deductibles or co-payments as other similar health care services.

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 Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Missouri Department of Conservation



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