

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6273-01  
Bill No.: HB 2370  
Subject: Insurance - Health; State Employees; Retirement - State; Retirement Systems and Benefits - General  
Type: Original  
Date: March 30, 2018

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Bill Summary: This proposal modifies appointments to the Missouri Consolidated Health Care Plan board of trustees.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                              |            |            |
|--|------------------------------|------------|------------|
| FUND AFFECTED  | FY 2019                      | FY 2020    | FY 2021    |
| General Revenue Fund                                 | (\$37,140 - \$61,900)        | \$0        | \$0        |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>(\$37,140 - \$61,900)</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                            |            |            |
|---|----------------------------|------------|------------|
| FUND AFFECTED   | FY 2019                    | FY 2020    | FY 2021    |
| Other State Funds   | (\$8,742 -\$14,570)        | \$0        | \$0        |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>(\$8,742 -\$14,570)</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                              |                |                |
|---|------------------------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2019</b>               | <b>FY 2020</b> | <b>FY 2021</b> |
| Federal Funds   | (\$14,118 - \$23,530)        | \$0            | \$0            |
|   |                              |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>(\$14,118 - \$23,530)</b> | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2019</b> | <b>FY 2020</b> | <b>FY 2021</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume based on costs incurred by Missouri State Employees' Retirement System (MOSERS) for recent board elections, MCHCP anticipates the cost for conducting a board election to be \$60,000 - \$100,000.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Office of the Governor**, the **Department of Health and Senior Services** and the **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations.

The current Governor-appointed members of the MCHCP Board of Trustees listed on the MCHCP web site are Mark Langworthy, Linda Luebbering, Daniel O'Neill and Viola Schaefer. **Oversight** is unsure when the elections will occur, but for simplicity, will reflect MCHCP's estimated cost for elections in FY 2019. MCHCP assumes the cost would be split between GR, Federal Funds and other state funds.

| <u>FISCAL IMPACT - State Government</u>                     | FY 2019<br>(10 Mo.)                     | FY 2020           | FY 2021           |
|---|---|-------------------|-------------------|
| <b>GENERAL REVENUE FUND</b>                                 |   |                   |                   |
| <u>Cost - MCHCP</u><br>Board Election                       | (\$37,140 -<br><u>\$61,900</u> )        | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT TO THE<br/>GENERAL REVENUE FUND</b> | <b>(\$37,140 -<br/><u>\$61,900</u>)</b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
| <b>OTHER STATE FUNDS</b>                                    |   |                   |                   |
| <u>Cost - MCHCP</u><br>Board Election                       | (\$8,742 -<br><u>\$14,570</u> )         | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT TO<br/>OTHER STATE FUNDS</b>        | <b>\$8,742 -<br/><u>\$14,570</u></b>    | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

| <u>FISCAL IMPACT - State Government</u><br>(continued) | FY 2019<br>(10 Mo.)                     | FY 2020           | FY 2021           |
|--|---|-------------------|-------------------|
| <b>FEDERAL FUNDS</b>                                   |   |                   |                   |
| Cost - MCHCP<br>Board Election                         | (\$14,118 -<br><u>\$23,530</u> )        | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT TO<br/>FEDERAL FUNDS</b>       | <b>(\$14,118 -<br/><u>\$23,530</u>)</b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |
| <br>   |   |                   |                   |
| <u>FISCAL IMPACT - Local Government</u>                | FY 2019<br>(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 modifies the Missouri Consolidated Health Care Plan Board of Trustees by eliminating three of the members appointed by the Governor and adding two members who are current employees elected by a plurality vote of current employees and one member of the system who is a retiree elected by a plurality vote of retired members. These three members will be elected for a term of four years.

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

Missouri Consolidated Health Care Plan  
Office of the Governor  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
Office of Administration

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director  
March 30, 2018