

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 370** HLS 09RS 1123
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: Department of Insurance	Analyst: Travis McIlwain
Subject: Fees - Medical Necessity Review Organization	

INSURANCE COMMISSIONER EN -\$15,250 SG RV See Note Page 1 of 1
 Provides for fees for Medical Necessity Review Organization licenses and filing of annual reports

Current law provides for a renewal fee for every 2 years for Medical Necessity Review Organizations (MNRO) in the amount of \$1,500.

Proposed legislation provides for the renewal fee to be \$500 annually.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$15,250)	(\$15,250)	(\$15,250)	(\$15,250)	(\$15,250)	(\$76,250)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	(\$15,250)	(\$15,250)	(\$15,250)	(\$15,250)	(\$15,250)	(\$76,250)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This bill is anticipated to reduce fees and self-generated revenues by \$15,250. According to the Department of Insurance (DOI), the projected number of MNRO renewals is 79. See illustration below.

Current Law:

Current renewal fee (every 2 years)	\$1,500
<u>Projected number of MNRO renewals</u>	<u>61</u>
Projected revenue	\$91,500 (every 2 years)
Projected revenue every year	\$45,750

Proposed Law:

Proposed renewal fee	\$500
<u>Projected number of MNRO renewals</u>	<u>61</u>
Projected annual revenue	\$30,500

The difference between the proposed law, \$30,500, and current law, \$45,750, is the projected annual fee revenue loss of approximately \$15,250.

This bill does not impact the initial license fee. This bill merely moves the \$1,500 initial license fee from R.S. 22:1125 to R.S. 22:821. This does change the renewal fee from \$1,500 every 2 years to \$500 every year.

Senate Dual Referral Rules

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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