

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 282** SLS 09RS 568
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 12, 2009 8:52 AM	Author: HEBERT
Dept./Agy.: Office of Group Benefits	Analyst: Travis McIlwain
Subject: Health provider information system	

HEALTH CARE RE1 +\$84,000 SG EX See Note Page 1 of 2
 Provides for a consumer health provider information system. (8/15/09)

Proposed legislation provides for a consumer health provider information system. This bill provides that no later than March 31, 2010 or within 30 days of a new contract, each health facility shall provide to each health insurance issuer with which it contracts, contact information of each individual or group of anesthesiologists, pathologists, radiologists, emergency medicine physicians and neonatologists who provide services at that facility. This bill provides that no later than March 31, 2010 or within 30 days of a new contract, each individual or group of anesthesiologists, pathologists, radiologists, emergency medicine physicians and neonatologists who provide services at a contracted facility shall provide the health insurance issuer contact information. Proposed legislation provides that based upon information received by the health insurance issuer, the health insurance issuer shall report the information on its website, no later than June 30, 2010, in a format that is clear and easy for its enrollees to understand. This bill provides for the following information to be presented by contracted facility: 1.) Facility name, address & phone number, 2.) Names, business addresses and business **(Continued on Page 2)**

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.	\$84,000	\$16,000	\$16,000	\$16,000	\$16,000	\$148,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$84,000	\$16,000	\$16,000	\$16,000	\$16,000	\$148,000
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.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill could increase the Office of Group Benefits' (OGB) expenditures in the amount of \$84,000 in FY 10 and \$16,000 per year in subsequent fiscal years. This cost is based upon a projected 600 contractor hours at \$80/hour to index each in-network health facility with a complete listing of all specialists in/out OGB's current network and database system, which will cost \$48,000. Also, modifications to OGB's web design and web searching by specific specialists is also needed and these modifications are included in the projected costs of \$48,000. In addition, \$36,000 for 450 contractor hours at \$80/hour will be needed to update current provider records and reflect the necessary changes outlined within this legislation. Essentially OGB will be required to maintain a population of specialty providers that it would not have otherwise maintained (out-of-network providers that currently work at in-network facilities). In subsequent fiscal years, the \$16,000 is based upon approximately 200 man hours at an \$80/hour rate to maintain and update OGB's database. Approximately \$68,000 in FY 10 will presumably be one-time expenditures associated with the initial database modification and population.

This bill provides for the Department of Insurance (DOI) to assess civil fines payable by a health insurance issuer who violates the provisions of this bill. Any potential expenditure impact upon the DOI is associated with a determination that an insurer has failed to comply with the proposed law requirements. Due to this being a new proposed law, the DOI does not know the extent of the fiscal impact of this bill.

There is no anticipated direct material effect on governmental expenditures of the Department of Health and Hospitals (DHH) as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. However, this bill does provide for the Department of Health and Hospitals (DHH) to promulgate rules to provide for civil fines payable by a health care provider not to exceed \$500 for each act of violation not to exceed an aggregate fine of \$50,000. In addition, this bill also provides for the Department of Insurance (DOI) to promulgate rules to provide for civil fines payable by a health insurance issuer not to exceed \$500 for each act of violation not to exceed an aggregate fine of \$50,000.

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change</p>	<p><u>Dual Referral Rules</u></p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease</p>	<p>Robert E. Hosse LFO Staff Director</p>
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CONTINUED EXPLANATION from page one:

telephone number of each individuals or group of anesthesiologists, pathologists, radiologists, emergency medicine physicians and neonatologists who provide services at that facility and who are contracted with the health insurance issuer. This bill provides that there should be a clear indication when the health insurance issuer has no contract in place with any of the individuals or groups of anesthesiologists, pathologists, radiologists, emergency medicine physicians and neonatologists.

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

Robert E. Hosse
LFO Staff Director