

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 282** SLS 09RS 568
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: July 8, 2009 11:50 AM	Author: HEBERT
Dept./Agy.: Office of Group Benefits	Analyst: Travis McIlwain
Subject: Health provider information system	

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

Proposed legislation provides that no later than March 31, 2010, each hospital or ambulatory surgical center, shall provide to each health insurance issuer with which it contracts the National Provider Identifier, name, business address and telephone of each individual or group of anesthesiologists, pathologists, radiologists, emergency medicine physicians and neonatologists who provide services at that facility. Proposed legislation provides that no later than March 31, 2010 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 with which it is contracted, the National Provider Identifier, name, business address and telephone. Based upon this information received, a health insurance issuer shall report on its website no later than June 30, 2010 in a format that is clear and easy for its enrollees to understand the following information: 1.) Facility name, address, phone, 2.) names and contact information of each individual or group of anesthesiologists, pathologists, radiologists, emergency medicine physicians and neonatologists, 3.) for each specialty at (cont. on page 2)

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$84,000	\$16,000	\$16,000	\$16,000	\$16,000	\$148,000

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$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

This bill provides for 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 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. The DOI is not authorized to levy fines against the Office of Group Benefits, but if OGB violates provisions, the DOA will be notified within 60 days.

Senate
 13.5.1 >= \$500,000 Annual Fiscal Cost

Dual Referral Rules

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

LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 282 SLS 09RS 568

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



Date: July 8, 2009 11:50 AM	Author: HEBERT
Dept./Agy.: Office of Group Benefits	Analyst: Travis McIlwain
Subject: Health provider information system	

CONTINUED EXPLANATION from page one:

each contracted facility, there shall be clear indication when the health insurance issuer has no contract in place with these specific providers. Proposed legislation provides that a health insurance issuer shall provide to the Department of Insurance (DOI) a link to its website with this information (no later than June 30, 2010). This bill provides that the DOI may promulgate rules and regulations to provide for civil fines payable by a health insurance issuer not to exceed \$500 for each and every violation not to exceed an aggregate of \$50,000. This bill provides that the Department of Health and Hospitals (DHH) may promulgate rules and regulations to provide for civil fines payable by the providers not to exceed \$500 for each violation not to exceed an aggregate of \$50,000. Proposed legislation shall apply to the Office of Group Benefits (OGB), but the commissioner of insurance shall not be authorized to levy a fine against the Office of Group Benefits (OGB). However, if the commissioner of insurance concludes that OGB has violated proposed law, the commissioner of insurance shall notify the commissioner of administration in writing within 60 days.

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