

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3747-02
Bill No.: HB 1305
Subject: Insurance - Health; Children and Minors; Medicaid; MoHealthNet; Drugs and Controlled Substances
Type: Original
Date: March 5, 2020

Bill Summary: This proposal modifies provisions relating to epinephrine auto-injectors.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue Fund	(Less than \$12,360)	(Less than \$12,360)	(Less than \$12,360)
Total Estimated Net Effect on General Revenue	(Less than \$12,360)	(Less than \$12,360)	(Less than \$12,360)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Other State Funds	(Less than \$2,946)	(Less than \$2,946)	(Less than \$2,946)
State Road Fund (0320)	(Could exceed \$22,000)	(Could exceed \$22,000)	(Could exceed \$22,000)
Conservation Commission Fund (0609)	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$24,946)	(Could exceed \$24,946)	(Could exceed \$24,946)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Federal Funds	(Less than \$4,694)	(Less than \$4,694)	(Less than \$4,694)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Less than \$4,694)	(Less than \$4,694)	(Less than \$4,694)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state that plans offered by MCHCP currently cover epinephrine auto-injectors with appropriate deductible, coinsurance and copayment requirements paid by the member. This legislation would require this medication to be covered without member cost-sharing, meaning MCHCP would be responsible for paying the portion that would typically be paid by the member. Since January 1, 2018, members have paid approximately \$17,500 in deductibles and copayments for epinephrine auto-injector medications. The estimated fiscal impact of this proposed legislation is unknown but less than \$20,000.

Oversight notes that the MCHCP has stated the proposal would have a fiscal impact of less than \$20,000. Oversight does not have any information to the contrary. Therefore, Oversight will use Missouri Consolidated Health Care Plan's estimated cost split between the General Revenue Fund (Less than \$12,360), Federal Funds (Less than \$4,694) and Other State Funds (Less than \$2,946).

Officials from the **Department of Transportation (MoDOT)** state that this proposal modifies provisions related to epinephrine auto-injectors in RSMo 208.152. It also adds a section RSMo 376.1223 requiring "health carriers" and "health benefit plans" (as those terms are defined in section 376.1350) to offer coverage for epinephrine auto-injectors for children under 19 years of age, as prescribed by a physician, advanced practice registered nurse, assistant physician, or assistant physician acting within the scope of his or her practice.

The MoDOT/MSHP Medical Plan does not fall under the RSMo 376.1350 definition of "health carrier" or "health benefit plan". However, section 104.801, RSMo, requires any legislation enacted by the General Assembly which mandates the coverage of specific health benefits, services, or providers to be applied to the Medical Plan. Therefore, the new section RSMo 376.1223 will apply to the Medical Plan.

Through third quarter, MoDOT had 151 people fill epi pens for a total cost of \$55,331. MoDOT/MSHP members pay 30% of that at a cost of \$16,599. Fills are pretty consistent quarter over quarter. The annual cost to the members (if this proposal would be passed) that MoDOT would be responsible for, based on current utilization, would be about \$22,000.

Currently, the Medical Plan has 5400 covered individuals who would be affected by this legislation. Each individual could potentially fill one prescription at no cost, as compared to the current 30% cost to them.

ASSUMPTION (continued)

This could lead to a negative fiscal impact on the plan of \$1.6 million annually, assuming each member fills one prescription. This estimate does not consider the increase in drug prices that could result from the increase in demand caused by individuals being able to fill the prescription at a zero or lower cost to themselves. Actual increases in expenses are difficult to estimate because usage is unknown.

MoDOT expects utilization to go up significantly if MoDOT were required to cover at 100% because more people would fill than they do now. Many people do not fill just because their pen is expired in order to pay the cost.

Although, the number of individuals that may or may not fill the no cost epinephrin auto-injector prescription is unknown, **Oversight** will use MoDOT's current utilization for fiscal note purposes. Oversight assumes utilization could go up should this legislation pass, therefore, Oversight will reflect a (could exceed \$22,000) to the State Road Fund (0320).

Oversight assumes this legislation could effect other insurance plans such as the Missouri Department of Conservation and local political subdivisions. Oversight will reflect an Unknown cost to the Conservation Commission Fund (0609) and Local Political Subdivisions.

Officials from the **Department of Commerce and Insurance**, the **Department of Social Services** and the **Missouri Department of Conservation** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **Office of Administration** defer to the Missouri Consolidated Health Care Plan to estimate the fiscal impact of the proposed legislation on that organization.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Department of Transportation to estimate the fiscal impact of the proposed legislation on that organization.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Cost - MCHCP</u> Epinephrine auto-injector coverage	(Less than <u>\$12,360</u>)	(Less than <u>\$12,360</u>)	(Less than <u>\$12,360</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(Less than <u>\$12,360</u>)	(Less than <u>\$12,360</u>)	(Less than <u>\$12,360</u>)
OTHER STATE FUNDS			
<u>Cost - MCHCP</u> Epinephrine auto-injector coverage	(Less than <u>\$2,946</u>)	(Less than <u>\$2,946</u>)	(Less than <u>\$2,946</u>)
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	(Less than <u>\$2,946</u>)	(Less than <u>\$2,946</u>)	(Less than <u>\$2,946</u>)
FEDERAL FUNDS			
<u>Cost - MCHCP</u> Epinephrine auto-injector coverage	(Less than <u>\$4,694</u>)	(Less than <u>\$4,694</u>)	(Less than <u>\$4,694</u>)
ESTIMATED NET EFFECT TO FEDERAL FUNDS	(Less than <u>\$4,694</u>)	(Less than <u>\$4,694</u>)	(Less than <u>\$4,694</u>)
STATE ROAD FUND (0320)			
<u>Cost - MoDOT</u> Epinephrine auto-injector coverage	(Could exceed <u>\$22,000</u>)	(Could exceed <u>\$22,000</u>)	(Could exceed <u>\$22,000</u>)
ESTIMATED NET EFFECT TO THE STATE ROAD FUND (0320)	(Could exceed <u>\$22,000</u>)	(Could exceed <u>\$22,000</u>)	(Could exceed <u>\$22,000</u>)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
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**CONSERVATION COMMISSION
FUND (0609)**

<u>Cost - MDC</u> Epinephrine auto-injector coverage	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO THE CONSERVATION COMMISSION FUND (0609)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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LOCAL POLITICAL SUBDIVISIONS

<u>Cost - Local Political Subdivisions</u> Epinephrine auto-injector coverage	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

A direct fiscal impact to small business medical services and equipment providers could be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires MO HealthNet coverage for epinephrine autoinjectors (Epi-Pens) for children under 19.

The bill also requires health insurance carriers to provide coverage for epinephrine auto-injectors for children under 19.

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 Commerce and Insurance
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Transportation
Office of Administration
Missouri Department of Conservation
Department of Public Safety
Missouri Highway Patrol
Department of Mental Health



Julie Morff
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March 5, 2020



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