

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2844H.01P
Bill No.: Perfected HB 2
Subject: Abortion; Health Care; Taxation And Revenue - General; Medicaid/Mo Healthnet
Type: Original
Date: June 30, 2021

Bill Summary: This proposal modifies provisions relating to health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Federal*	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)

* The range reflects potential loss due to federal sanctions against the Title XIX federal claim.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§§188.202; 188.207; 208.152; 208.153 and 208.164 – Prohibits public funds to any abortion facility, or to any affiliate or associate.

Officials from the **Department of Social Services**, state proposed §§188.202, 188.207, 208.152.1(6) and (12), 208.153.1, and 208.164.10 could result in federal sanctions in that these amendments prohibit abortion providers and their affiliates from providing healthcare assistance to MO HealthNet participants. Section 1902(a)(23)(A) of the Social Security Act requires a state Medicaid agency to allow Medicaid participants to obtain medical assistance from any institution, agency, community pharmacy or person qualified to perform such assistance who undertakes to perform such assistance (“freedom of choice of provider” provision). This requirement is further set forth in Missouri’s State Medicaid Plan, as required by federal law. Excluding a group of providers could subject the Department of Social Services to federal sanctions.

However, the Department is not certain how CMS would respond to the language. Therefore, the cost is presented as a range, from \$0 to approximately 2% of the total Title XIX federal claim for the last four quarters.

Oversight does not have any information contrary to that provided by DSS. Therefore, Oversight will reflect DSS’s impact of “\$0 to (\$167,000,000)” for fiscal note purposes.

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House Amendment 2 - §208.164

Oversight assumes no impact from this amendment.

Responses regarding the proposed legislation as a whole

In response to a previous version, officials from the **Attorney General’s Office**, the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Office of Administration - Budget and Planning**, the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<u>Losses</u> – DSS/MHD (§§188.202; 188.207; 208.152; 208.153 and 208.164) Potential loss of federal portion of the pharmacy appropriation.	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)	(\$0 to \$167,000,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

A direct fiscal impact to small business health clinics may be expected as a result of this proposal.

FISCAL DESCRIPTION

Any federal act, law, executive order, administrative order, rule, or regulation shall not infringe on the right of the people of Missouri to:

- (1) Restrict public funds, public facilities, and public employees from being used to perform, induce, or assist in an abortion;
- (2) Encourage childbirth over abortion in the use of the state's public funds, public facilities, and public employees;
- (3) Defend the religious beliefs or moral convictions of any person who, or entity which, does not want to be forced to directly or indirectly fund or participate in abortion;
- (4) Prevent the state or its political subdivisions from being coerced, compelled, or commandeered by the federal government to enact, administer, or enforce a federal regulatory program that directly or indirectly funds abortion; and

- (5) Prohibit the federal government from commanding or conscripting public officials of the state or its political subdivisions to enforce a federal regulatory program that directly or indirectly funds abortion. The bill makes it unlawful for any public funds to be expended to any abortion facility, or to any affiliate or associate of such abortion facility (§188.202).

The bill prohibits public funds from being expended to any abortion facility, as defined in §188.015, or to any affiliate or associate of such abortion facility (§§188.207; 208.152 and 208.659)

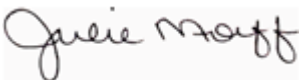
The bill removes a provision in current statute that allows any person entitled to MO HealthNet benefits to obtain benefits from any provider of services with which an agreement is in effect and which undertakes to provide the services, as authorized by the MO HealthNet division (§208.153).

This bill creates provisions requiring the Department of Social Services or its divisions to suspend, revoke, or cancel any contract or provider agreement or refuse to enter into a new contract or provider agreement with any provider where it is determined that such provider is not qualified to perform the service or services required because such provider, or such provider's agent, servant, or employee acting under such provider's authority, has violated specified provisions (§208.164).

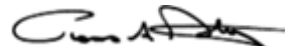
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Commerce and Insurance
Department of Health and Senior Services
Department of Social Services
Office of Administration - Budget and Planning
Office of the State Courts Administrator



Julie Morff
Director
June 30, 2021



Ross Strobe
Assistant Director
June 30, 2021