

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1554H.01I  
Bill No.: HB 784  
Subject: Drugs and Controlled Substances; Pharmacy  
Type: Original  
Date: February 10, 2025

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Bill Summary: This proposal creates provisions relating to 340b drugs.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Road Fund (0320)	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown, could exceed \$250,000)</b>	<b>\$0 to (Unknown, could exceed \$250,000)</b>	<b>\$0 to (Unknown, could exceed \$250,000)</b>

\***Oversight** assumes this proposal could result in a cost to the MoDOT-MSHP and local medical plans that could potentially be passed on to members.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government*</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

\***Oversight** assumes this proposal could result in a cost to the MoDOT-MSHP and local medical plans that could potentially be passed on to members. Oversight also assumes a potential revenue from civil fine penalties.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **376.448- Enrollee's Cost Sharing**

Officials from the **Missouri Department of Transportation** state this bill may increase costs for PBMs, which will likely pass on costs to the MoDOT-MSHP medical plan. This would have an unknown negative impact to the State Road Fund.

Since it is unknown if this proposal will result in a cost to the medical plan that could pass on to members, **Oversight** will range the fiscal impact as \$0 to Unknown, greater than \$250,000 to the State Road Fund (0320). Oversight assumes this proposal could have a fiscal impact on local political subdivisions.

**Oversight** notes provisions of 376.417.3 imposes a civil penalty on any health carrier, pharmacy benefits manager, or agent or affiliate of such health carrier or pharmacy benefits manager that violates provisions of this subsection. The penalty may not exceed \$5,000 per day. Oversight notes that violations resulting in fines could vary widely from year to year. Civil penalties collected per Article IX, Section 7 of the Missouri Constitution requires fines to be distributed to the school district where the violation occurred; therefore, Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts on the fiscal note.

Officials from the **Missouri Consolidated Health Care Plan**, the **Department of Commerce and Insurance**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **City of O'Fallon** and **Kansas City** 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 this agencies.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the Missouri Department of Transportation for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>STATE ROAD FUND (0320)</b>			
<u>Cost – MoDOT §376.448</u> Enrollee’s Cost Sharing	<u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u>	<u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u>	<u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u>
<b>ESTIMATED NET EFFECT TO THE STATE ROAD FUND</b>	<b><u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u></b>	<b><u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u></b>	<b><u>\$0 to</u> <u>(Unknown,</u> <u>could exceed</u> <u>\$250,000)</u></b>

\***Oversight** assumes this proposal could result in a cost to the MoDOT-MSHP and local medical plans that could potentially be passed on to members.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS*</b>			
<u>Revenue - School districts §376.448.3</u> Fines from violations	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost – §376.448</u> Enrollee’s Cost Sharing	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown to</u> <u>(Unknown)</u></b>	<b><u>Unknown to</u> <u>(Unknown)</u></b>	<b><u>Unknown to</u> <u>(Unknown)</u></b>

\***Oversight** assumes this proposal could result in a cost to the MoDOT-MSHP and local medical plans that could potentially be passed on to members. Oversight also assumes a potential revenue from civil fine penalties.

#### FISCAL IMPACT – Small Business

A direct fiscal impact to health carrier or pharmacy benefits manager could be expected as a result of this proposal.

### FISCAL DESCRIPTION

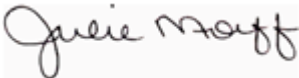
This bill prohibits health carriers and pharmacy benefits managers from discriminating against entities that dispense 340B drugs, including less reimbursement, imposing different terms, and other discriminatory practices.

The Director of the Department of Commerce and Insurance will create rules to enforce these provisions. The Department will impose a civil penalty on any health carrier, pharmacy benefit manager, or agent of affiliate of such health carrier or pharmacy benefit manager that violates the requirements of this bill. The penalty cannot exceed \$5,000 dollars per violation per day.

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 Public Safety - Missouri Highway Patrol  
Department of Social Services  
Missouri Department of Conservation  
Missouri Department of Transportation  
Missouri Consolidated Health Care Plan  
Oversight Division  
Kansas City  
City of O'Fallon



Julie Morff  
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February 10, 2025



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