

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1688H.01I  
Bill No.: HB 530  
Subject: Insurance - Health; Health Care Professionals  
Type: Original  
Date: February 21, 2025

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Bill Summary: This proposal creates provisions relating to health care provider participation in health insurance plans.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
General Revenue Fund	(Unknown, greater than \$18,900,000)	(Unknown, greater than \$18,900,000)	(Unknown, greater than \$18,900,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown, greater than \$18,900,000)</b>	<b>(Unknown, greater than \$18,900,000)</b>	<b>(Unknown, greater than \$18,900,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Other State Funds	(Unknown, greater than \$4,500,000)	(Unknown, greater than \$4,500,000)	(Unknown, greater than \$4,500,000)
State Road Fund (0320)	(\$8,000,000 to \$12,000,000)	(\$8,000,000 to \$12,000,000)	(\$8,000,000 to \$12,000,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown, Greater than \$12,500,000 to \$16,500,000)</b>	<b>(Unknown, Greater than \$12,500,000 to \$16,500,000)</b>	<b>(Unknown, Greater than \$12,500,000 to \$16,500,000)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Funds	(Unknown, greater than \$6,600,000)	(Unknown, greater than \$6,600,000)	(Unknown, greater than \$6,600,000)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown, greater than \$6,600,000)</b>	<b>(Unknown, greater than \$6,600,000)</b>	<b>(Unknown, greater than \$6,600,000)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<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>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
<b>Local Government*</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

**\*Oversight** assumes this proposal could have an unknown fiscal impact to local political subdivisions' health insurance plans.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§376.1583 – Health Care Provider Participation in Health Insurance Plans**

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this proposal creates provisions relating to health care provider participation in health insurance plans.

MCHCP assumes this legislation requires a health benefit plan to not discriminate against providers, letting any provider participate in any plan and receive the same amount of reimbursement for the same service. In consultation with MCHCP's third party administrator, MCHCP is estimating that medical claims costs would increase by 7% to 12% primarily driven by the erosion of provider discounts.

MCHCP medical claims costs for FY 24 were just over \$434 million. Using the lessor of the amounts estimated (7%), the fiscal impact would be unknown, but greater than \$30 million. While most of the cost increase would be borne by the state, there would also be an unknown impact to member's costs from increased out of pocket costs and any resulting increase in premiums.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the cost estimate as provided by MCHCP, broken out as the following:

(63%) GR – Unknown, Greater than \$18,900,000  
(22%) Federal - Unknown, Greater than \$6,600,000  
(15%) Other State Funds - Unknown, Greater than \$4,500,000  
**TOTAL     \$30,000,000**

Officials from the **Missouri Department of Transportation (MoDOT)** state that while the MoDOT/MSHP medical plan does not fall under the definition of "health benefit plan" under 376.1350, this may apply to third party administrators that administer the plan's benefits. This will increase the costs for the health plan administrators which will likely be passed on as a self-insured plan.

MoDOT expects an increased plan cost between 7 and 9 percent, based on FTC studies. This equates to an estimated negative fiscal impact of \$8,000,000 to \$12,000,000.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the cost estimate as provided by MoDOT to the State Road Fund.

**Oversight** assumes this proposal could have an unknown fiscal impact to local political subdivisions' health insurance plans.

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** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these 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.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND</b>			
<u>Cost – MCHCP</u> Increased Medical Claims Cost §376.1583 p. 3	(Unknown, greater than \$18,900,000)	(Unknown, greater than \$18,900,000)	(Unknown, greater than \$18,900,000)
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(Unknown, greater than \$18,900,000)</b>	<b>(Unknown, greater than \$18,900,000)</b>	<b>(Unknown, greater than \$18,900,000)</b>
<b>OTHER STATE FUNDS</b>			
<u>Cost – MCHCP</u> Increased Medical Claims Cost §376.1583 p. 3	(Unknown, greater than \$4,500,000)	(Unknown, greater than \$4,500,000)	(Unknown, greater than \$4,500,000)
<b>ESTIMATED NET EFFECT TO OTHER STATE FUNDS</b>	<b>(Unknown, greater than \$4,500,000)</b>	<b>(Unknown, greater than \$4,500,000)</b>	<b>(Unknown, greater than \$4,500,000)</b>
<b>STATE ROAD FUND (0320)</b>			
<u>Cost – MoDOT</u> Increased Medical Claims Cost §376.1583 p. 3	(\$8,000,000 to \$12,000,000)	(\$8,000,000 to \$12,000,000)	(\$8,000,000 to \$12,000,000)
<b>ESTIMATED NET EFFECT TO THE STATE ROAD FUND</b>	<b>(\$8,000,000 to \$12,000,000)</b>	<b>(\$8,000,000 to \$12,000,000)</b>	<b>(\$8,000,000 to \$12,000,000)</b>
<b>FEDERAL FUNDS</b>			
<u>Cost – MCHCP</u> Increased Medical Claims Cost §376.1583 p. 3	(Unknown, greater than \$6,600,000)	(Unknown, greater than \$6,600,000)	(Unknown, greater than \$6,600,000)
<b>ESTIMATED NET EFFECT TO FEDERAL FUNDS</b>	<b>(Unknown, greater than \$6,600,000)</b>	<b>(Unknown, greater than \$6,600,000)</b>	<b>(Unknown, greater than \$6,600,000)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost</u>			
Increased Medical Claims Cost*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

\***Oversight** assumes this proposal could have an unknown fiscal impact to local political subdivisions' health insurance plans.

#### FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses offering group or individual health insurance coverage could be expected as a result of this proposal.

#### FISCAL DESCRIPTION

This bill establishes the "Patients First Act".

This bill prohibits a group health plan or health insurance issuer offering group or individual health insurance coverage from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of the provider's license or certificate.

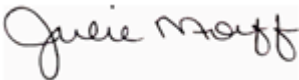
The health benefit plan cannot discriminate against a health care provider based on the provider's licensure with respect to reimbursement or participation in any plan or insurance program.

The bill requires a health care provider to be reimbursed at the same rate for the same service as long as the service is within the provider's scope of practice, but these provisions should not be construed to prevent a group health plan or a health insurance issuer from establishing varying reimbursement rates based on quality or performance measures.

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  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Missouri Consolidated Health Care Plan



Julie Morff  
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February 21, 2025



Jessica Harris  
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February 21, 2025