

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2277H.011
 Bill No.: HB 1118
 Subject: Drugs and Controlled Substances; Health Care
 Type: Original
 Date: February 21, 2025

Bill Summary: This proposal creates provisions relating to abuse-deterrent opioid analgesic drug products.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General	Will exceed (\$101,767 to \$1,209,526)	Will exceed (\$108,382 to \$1,288,145)	Will exceed (\$115,427 to \$1,371,874)
Total Estimated Net Effect on General Revenue	Will exceed (\$101,767 to \$1,209,526)	Will exceed (\$108,382 to \$1,288,145)	Will exceed (\$115,427 to \$1,371,874)

* The range represents the difference between a participant who would be on treatment for a single month or twelve refills per year. **Oversight** assumes unknown costs to DCI will exceed \$250,000 annually.

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

* Income and expenses are estimated at \$411,000 to \$4.9 million annually and net to zero. The range represents the difference between a participant who would be on treatment for a single month or twelve refills per year.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 208.176 and § 376.1239 - Abuse-deterrent opioid analgesic drug products

Officials from the **Department of Social Services (DSS)** state this legislation amends section 208.176 by adding language that states any prior authorization requirements for opioid analgesic and any service denials made pursuant thereto shall not require use of opioid analgesic drug products without abuse-deterrent properties before authorizing the use of abuse-deterrent opioid analgesic drug products.

It also adds § 376.1239 stating an insurance carrier or health plan shall provide coverage on its formulary, drug list, or other lists of similar constructs for at least one abuse-deterrent opioid analgesic drug product per opioid analgesics active ingredient. This section also adds information on cost-sharing for brand name and generic abuse-deterrent opioid analgesic drug products and addresses prior authorization not being required.

This legislation applies to Chapter 208, which applies MO HealthNet, and to Chapter 376. However, it addresses prescription drugs which are carved out of managed care and covered under the MO Healthnet Fee-For-Service (FFS) Program. In addition, enrollees in the Managed Care Program are not expected to pay cost-sharing amounts. As a result, this legislation would have no fiscal impact on managed care operations or rates.

MHD FFS Pharmacy Program estimates the fiscal impact is \$488,000 to \$5.8 million annually. The range represents the difference between a participant who would be on treatment for a single month or twelve refills per year. A 6.5% inflation rate was applied to FY27 and FY28.

FY26 Total: \$488,000 - \$5,800,000 (GR: \$101,767 – \$1,209,526); (FED: \$386,233 - \$4,590,474)

FY27 Total: \$519,720 - \$6,177,000 (GR: \$108,382 – \$1,288,145); (FED: \$411,338 - \$4,888,855)

FY28 Total: \$553,502 - \$6,578,505 (GR: \$115,427 – \$1,371,874); (FED: \$438,075 - \$5,206,631)

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DSS.

Officials from the **Department of Commerce and Insurance (DCI)** state this proposal requires insurers/health plans to have at least one abuse-deterrent opioid analgesic drug product for each opioid analgesic active ingredient on its formulary and provisions related to the cost-sharing of the drugs. This will have an Unknown impact on DCI: DCI would need to contract with a resource with pharmaceutical knowledge to confirm compliance with these provisions.

Oversight does not have information to the contrary. Due to a lack of information, Oversight will reflect the estimates as provided by DCI as “Unknown” costs. Oversight assumes the unknown costs could exceed \$250,000 annually.

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.

Officials from the **Department of Health and Senior Services**, the **Department of Public Safety - Missouri Veterans Commission**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation** and the **Oversight Division** 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 received from state agencies and political subdivisions; however, other nursing homes and hospitals were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs – DSS, MHD (§ 208.176) FFS Pharmacy Program refill costs p. 3</u>	(\$101,767 to \$1,209,526)	(\$108,382 to \$1,288,145)	(\$115,427 to \$1,371,874)
<u>Costs - DCI (§ 376.1239) Insurance coverage of abuse-deterrent opioid analgesic drug products p. 3-4</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	Will exceed (\$101,767 to \$1,209,526)	Will exceed (\$108,382 to \$1,288,145)	Will exceed (\$115,427 to \$1,371,874)

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
FEDERAL FUNDS			
<u>Income - DSS, MHD (§ 208.176)</u> Reimbursement to FFS Pharmacy Program for refill costs p. 3	\$386,233 to \$4,590,474	\$411,338 to \$4,888,855	\$438,075 to \$5,206,631
<u>Costs – DSS, MHD (§ 208.176) FFS</u> Pharmacy Program refill costs p. 3	(\$386,233 to \$4,590,474)	(\$411,338 to \$4,888,855)	(\$438,075 to \$5,206,631)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill specifies that for MO HealthNet and for insurance carriers or health benefit plans, any prior authorization requirements for opioid analgesic and any service denials made thereto do not require the use of opioid analgesic drug products without abuse-deterrent properties before authorizing the use of such drug products.

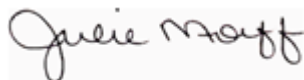
The bill also requires insurance carriers or health benefits plans to provide coverage on their formulary or drug list at least one abuse-deterrent opioid analgesic drug product per opioid analgesics active ingredient.

Cost-sharing for brand name or generic versions of this product are not to exceed the lowest cost-sharing level applied to brand name or generic non-abuse deterrent opioid drugs covered under the applicable health plan or policy. Additionally, an increase in patient cost-sharing or disincentives for prescribers or dispensers is not allowed in order to achieve compliance with the provisions of this bill. (§ 208.176 and § 376.1239)

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 Health and Senior Services
Department of Public Safety –
 Missouri Highway Patrol
 Missouri Veterans Commission
Department of Social Services
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
Oversight Division



Julie Morff
Director
February 21, 2025



Jessica Harris
Assistant Director
February 21, 2025