

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2629H.01I
Bill No.: HB 1195
Subject: Health Care; Insurance - Health
Type: Original
Date: March 30, 2025

Bill Summary: This proposal establishes provisions relating to insurance coverage for insulin drugs and epinephrine auto-injectors.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund	(\$31,500)	(\$31,500)	(\$31,500)
Total Estimated Net Effect on General Revenue	(\$31,500)	(\$31,500)	(\$31,500)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Road Fund	(\$200,000)	Could exceed (\$200,000)	Could exceed (\$200,000)
Other State Funds	Could exceed (\$7,500)	Could exceed (\$7,500)	Could exceed (\$7,500)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$207,500)	(Could exceed \$207,500)	(Could exceed \$207,500)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Funds (MCHCP)	(\$11,000)	(\$11,000)	(\$11,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$11,000)	(\$11,000)	(\$11,000)

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 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Increase in insurance coverage.

FISCAL ANALYSIS

ASSUMPTION

§§376.687 and 376.689 - Insurance Coverage for Insulin Drugs and Epinephrine Auto-Injectors

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this proposal establishes provisions relating to insurance coverage for insulin drugs and epinephrine auto-injectors

MCHCP notes that eighty percent of MCHCP members are on a PPO plan that includes prescription copays. Insulin cost sharing is at half of the applicable copay for those PPO Plan members; thus, this bill would ultimately not change their cost share amount as many are paying no more than \$20 for a thirty-day supply. This proposed bill would have more impact on insulin coverage for those enrolled in MCHCP's high deductible plan, the HSA Plan. MCHCP has been making plan design changes to reduce member cost-sharing responsibilities for diabetic medications, including insulin. Insulin now bypasses the HSA Plan members' deductible, and they have reduced coinsurance for these drugs. In addition, manufacturers have recently been lowering the price of insulin. With these changes there would be a relatively small amount that MCHCP would have to absorb to keep insulin cost-sharing at a maximum of \$35. MCHCP estimates that this bill would have a minimal impact on the plan with a cost not to exceed \$50,000.

Oversight will reflect the estimated cost by MCHCP, broken out as follows:

General Revenue Fund	\$31,500 (63%)
Federal Fund	\$11,000 (22%)
Other Fund	\$7,500 (15%)
Total -	\$50,000 (100%)

Officials from the **Missouri Department of Transportation (MODOT)** state this legislation would put a cap on the amount an insured is required to pay for insulin. The remainder of the cost would be required to be paid for by the insurer. As a self-funded medical plan, MoDOT/MSHP would be required to cover these costs. The cost would increase annually with the increase in prescription drug costs, and this would contribute to an increase in health insurance premiums. Based on current utilization of insulin in the health plan, MoDOT expects a first-year negative fiscal impact of \$200,000 in FY 2026 from the State Road Fund.

Oversight notes that MODOT has stated the proposal would have a first-year fiscal impact \$200,000 with a potential to increase each year. Oversight does not have any information to the contrary. Therefore, Oversight will use MoDOT's estimated cost \$200,000 to the State Road Fund (320) in FY 2026 and a "Could Exceed \$200,000" in FY 2027 and FY 2028.

Officials from the **City of Kansas City (City)** state this proposal could have a negative fiscal impact on Kansas City in an indeterminate amount if it resulted in a raise in the health insurance premiums paid by the City.

Officials from the **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organization.

Oversight assumes this legislation could affect other insurance plans such as the Missouri Department of Conservation and local political subdivisions. Since it is unknown whether the provisions of this proposal will result in an increase in insurance premiums or not, Oversight will reflect a \$0 or Unknown cost to both Other State Funds as well as Local Political Subdivisions.

Officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Social Services** and the **City of O'Fallon** 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 MoDOT/MSHP Medical Plan for the potential fiscal impact of this proposal.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities and various county officials were requested to respond to this proposed legislation but did not. A general 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 FUND			
<u>Cost – MCHCP §376.687 p.3</u> Epinephrine auto-injector coverage	<u>(\$31,500)</u>	<u>(\$31,500)</u>	<u>(\$31,500)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$31,500)</u>	<u>(\$31,500)</u>	<u>(\$31,500)</u>
OTHER STATE FUNDS			
<u>Cost – MCHCP/MDC §376.687 p.3</u> Epinephrine auto-injector coverage	<u>Could exceed (\$7,500)</u>	<u>Could exceed (\$7,500)</u>	<u>Could exceed (\$7,500)</u>
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	<u>Could exceed (\$7,500)</u>	<u>Could exceed (\$7,500)</u>	<u>Could exceed (\$7,500)</u>
STATE ROAD FUND (0320)			
<u>Cost – MoDOT §376.687 p.3</u> Epinephrine auto-injector coverage	<u>(\$200,000)</u>	<u>Could exceed (\$200,000)</u>	<u>Could exceed (\$200,000)</u>
ESTIMATED NET EFFECT TO THE STATE ROAD FUND (0320)	<u>(\$200,000)</u>	<u>Could exceed (\$200,000)</u>	<u>Could exceed (\$200,000)</u>
FEDERAL FUNDS			
<u>Cost – MCHCP §376.687 p.3</u> Epinephrine auto-injector coverage	<u>(\$11,000)</u>	<u>(\$11,000)</u>	<u>(\$11,000)</u>
ESTIMATED NET EFFECT TO THE STATE ROAD FUND (0320)	<u>(\$11,000)</u>	<u>(\$11,000)</u>	<u>(\$11,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS*			
<u>Costs - Local Political Subdivisions</u> Epinephrine auto-injector and prescription insulin drug coverage §§376.687 and 376.689 p.4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Increase in insurance coverage.

FISCAL IMPACT – Small Business

Small businesses that provide health insurance to their employees could be impacted by this proposal.

FISCAL DESCRIPTION

This bill requires insurers that provide coverage for epinephrine auto-injectors or prescription insulin drugs to limit the total amount that an insured is required to pay for a 30 day supply of covered epinephrine auto-injectors or prescription insulin drugs to an amount not to exceed \$35 for insulin and \$100 for epinephrine injectors, regardless of the quantity or type of covered prescription insulin drug used to fill the insured's prescription. The limit can increase yearly based on a percentage equal to the percentage change from the preceding year in the medical care component of the Consumer Price Index.

The Department of Commerce and Insurance, in conjunction with the Department of Health and Senior Services and the Department of Social Services, shall make a report available to the public of findings from each department as specified in the bill by October 31, 2024.

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 Social Services
Department of Public Safety - Missouri Highway Patrol
Department of Transportation
Missouri Department of Conservation

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City of Kansas City

City of O'Fallon

Missouri Consolidated Health Care Plan

A handwritten signature in black ink that reads "Julie Morff". The signature is written in a cursive, flowing style.

Julie Morff

Director

March 30, 2025

A handwritten signature in black ink that reads "Jessica Harris". The signature is written in a cursive, flowing style.

Jessica Harris

Assistant Director

March 30, 2025