

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3235H.01I
 Bill No.: HB 1599
 Subject: Medicaid/MO HealthNet; Physicians; Health Care
 Type: Original
 Date: April 1, 2025

Bill Summary: This proposal creates provisions relating to MO HealthNet reimbursement for the professional component of clinical pathology services.

FISCAL SUMMARY

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

* Without additional information from DSS, **Oversight** cannot estimate a fiscal impact for this proposal. For purposes of this fiscal note, Oversight will assume DSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DSS could absorb any costs related to this proposal. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

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
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

* Without additional information from DSS, **Oversight** cannot estimate a fiscal impact for this proposal. For purposes of this fiscal note, Oversight will assume DSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DSS could absorb any costs related to this proposal. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

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

§ 208.149 - MO HealthNet reimbursement for the professional component of clinical pathology services

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state Medicare does not have a separate rate for pathology services. MHD is implementing a Diagnosis Related Group (DRG) payment methodology similar to Medicare for inpatient services starting in SFY26. This new payment structure is a bundled rate inclusive of pathology services. Therefore, the fiscal impact of this is unknown. DSS doesn't have any further information as to the extent of the cost or whether there would be a cost.

Without additional information from DSS, **Oversight** cannot estimate a fiscal impact for this proposal. For purposes of this fiscal note, Oversight will assume DSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DSS could absorb any costs related to this proposal. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other 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.

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
	<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 requires MO HealthNet to pay the fee for the portion of clinical pathology services that involves the pathologist's professional expertise in interpreting and supervising laboratory tests, excluding the technical component of performing the laboratory tests that are provided by hospital-based pathologists for inpatient services. The reimbursement rate is set at 30% of the approved outpatient fee schedule based on Medicare's clinical laboratory fee schedule. Payments are directed to either the hospital or the third-party provider, depending on whether the pathologist is employed by the hospital. The Department of Social Services is responsible for creating necessary rules and regulations for the provisions of this bill. (§ 208.149)

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

L.R. No. 3235H.01I

Bill No. HB 1599

Page 5 of 5

April 1, 2025

SOURCES OF INFORMATION

Department of Social Services
Joint Committee on Administrative Rules
Office of the Secretary of State



Julie Morff
Director
April 1, 2025



Jessica Harris
Assistant Director
April 1, 2025