

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4438H.011  
Bill No.: HB 1945  
Subject: Pharmacy; Drugs and Controlled Substances; Business and Commerce;  
Professional Registration and Licensing; Insurance - Health; Medicaid/MO  
HealthNet  
Type: Original  
Date: February 25, 2026

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Bill Summary: This proposal modifies provisions relating to health care.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(Unknown, Less than \$332,500)	(Unknown, Less than \$320,000)	(Unknown, Less than \$320,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown, Less than \$332,500)</b>	<b>(Unknown, Less than \$320,000)</b>	<b>(Unknown, Less than \$320,000)</b>

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Other State Funds	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown, Less than \$75,000)</b>	<b>(Unknown, Less than \$75,000)</b>	<b>(Unknown, Less than \$75,000)</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal Funds*	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown, Less than \$105,000)</b>	<b>(Unknown, Less than \$105,000)</b>	<b>(Unknown, Less than \$105,000)</b>

\* Revenue gain and cost for an actuarial analysis is estimated at \$12,500 in FY 2027 only and nets to zero.

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<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.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§208.149 - MO HealthNet Coverage of Anesthesia Services

Officials from the **Department of Social Services (DSS)** state as follows:

Section 208.149: This is not currently an allowed billable service amount. In order to establish this payment, the State would need to seek State Plan Approval from CMS. The State actuary would need to evaluate this program change to include in Managed Care rate development. The cost of the actuarial analysis is estimated to be \$25,000.

Section 338.333: MHD assumes no fiscal impact as this legislation does not require programmatic or system changes.

Section 376.1245: This legislation applies to Chapter 376, payment for anesthesia services is determined within the system and is based on minutes of use, the Anesthesia Relative Value and the conversion factor for the anesthesiologist or CRNA. The MC plans have to pay according to the FFS payment standard and this is already in place. This legislation would have no fiscal impact on managed care operations or rates.

FY27 Total: \$25,000 (GR: \$12,500; Federal: \$12,500)

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

#### §§338.333 and 376.1245 – Insurance Coverage of Anesthesia Services

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state that as MCHCP is not a health care plan under the definition of 376.1350, this legislation would not apply to MCHCP using that definition. However, section 104.801 requires MCHCP to follow any law which mandates coverage of specific health benefits, services, or providers. Since this legislation does mandate benefits, services, or providers it would apply to MCHCP.

This bill includes a health insurance carrier mandate that in most cases will result in additional cost to the health plan, employer and employee.

The potential fiscal impact of this proposal is unknown but less than \$500,000.

**Oversight** assumes prohibiting policy or practices of limiting timeframes for payment of anesthesia services and restricting or excluding anesthesia time could increase health insurance costs for insurance plans. Oversight assumes the cost could be less than \$500,000 based on

MCHCP's response. Oversight will reflect the fiscal impact as provided by MCHCP as the following:

General Revenue (64%): (Unknown, Less than \$320,000)  
Federal Funds (21%): (Unknown, Less than \$105,000)  
Other Funds (15%): (Unknown, Less than \$75,000)  
**Total: (Unknown, Less than \$500,000)**

Officials from **City of Kansas City** state the proposed legislation has a potential negative fiscal impact of an indeterminate amount.

**Oversight** assumes all local political subdivisions could have a potential negative fiscal impact depending on if the plan carrier does or does not restrict or excluding anesthesia time. For fiscal note purposes, Oversight will reflect a \$0 or Unknown fiscal impact to local political subdivisions.

Officials from the **Missouri Department of Transportation (MoDOT)** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation, SB 930 (2026), MoDOT stated that the current MoDOT-MSHP plan carrier, does not restrict on medically necessary anesthesia services, so although a cost has been shown on similar legislation in previous years, MoDOT is no longer showing an impact. That could change if the plan adopted another administrator with this restriction.

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

Officials from the **Department of Commerce and Insurance (DCI)** state this proposal includes three provisions. Two of these provisions, one relating to clinical pathology services under the MO HealthNet program, and one relating to out-of-state wholesale drug distributors and third-party logistics providers, do not have an impact on the Insurance Divisions.

The third provision would require that health carriers offering or issuing health benefit plans that are delivered, issued for delivery, continued, or renewed in this state on or after the section's effective date and that provide coverage for anesthesia services, be prohibited from imposing a time limit for the payment of anesthesia services provided during a medical or surgical procedure. It also prohibits health carriers from establishing, implementing or enforcing practices or procedures that restrict or exclude all anesthesia time in calculating the payment of anesthesia services.

Section 376.1245: The department believes the costs of this bill can be absorbed within DCI's current appropriations. However, should the cost exceed the anticipated amount, the department would request an increase to DCI's FTE and/or appropriations as appropriate through the budget process.

**Oversight** assumes DCI is provided with core funding to handle a certain amount of activity each year. Oversight assumes DCI could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DCI could request funding through the appropriation process. Officials from the DCI assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Health and Senior Services, Missouri Department of Conservation, Missouri Department of Transportation and 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.

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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and hospitals were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our 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 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost - DSS/MHD</u> (§208.149) Actuarial Analysis p.3	(\$12,500)	\$0	\$0
<u>Cost – MCHCP</u> (§376.1245) Anesthesia cost p.3-4	(Unknown, Less than \$320,000)	(Unknown, Less than \$320,000)	(Unknown, Less than \$320,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Unknown, Less than \$332,500)</b>	<b>(Unknown, Less than \$320,000)</b>	<b>(Unknown, Less than \$320,000)</b>
<b>FEDERAL FUNDS</b>			
<u>Revenue Gain - DSS/MHD</u> (§208.149) Program Reimbursement for Actuarial Analysis p.3	\$12,500	\$0	\$0
<u>Cost - DSS/MHD</u> (§208.149) Actuarial Analysis p.3	(\$12,500)	\$0	\$0
<u>Cost – MCHCP</u> (§376.1245) Anesthesia cost p.3-4	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b>(Unknown, Less than \$105,000)</b>	<b>(Unknown, Less than \$105,000)</b>	<b>(Unknown, Less than \$105,000)</b>
<b>OTHER STATE FUNDS</b>			
<u>Cost – MCHCP</u> (§376.1245) Anesthesia cost p.3-4	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b>(Unknown, Less than \$75,000)</b>	<b>(Unknown, Less than \$75,000)</b>	<b>(Unknown, Less than \$75,000)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost - Local Political Subdivisions</u> (§376.1245) Anesthesia cost p.4	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

FISCAL IMPACT – Small Business

A direct fiscal impact to small business medical services and equipment providers could 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.

Currently, no person or outlet can act as a wholesale drug distributor, pharmacy distributor, drug outsourcer, or third-party logistics provider without obtaining a license from the Missouri Board of Pharmacy. Temporary licenses can be granted while an application is being processed. Separate licenses are required for each distribution site. The Board can permit out-of-state entities to be licensed in Missouri if they possess a valid license from another state with comparable standards and if the other state offers reciprocal treatment to Missouri entities.

This bill provides that if a state license is not issued by the out-of-state wholesale drug distributor's resident state, out-of-state wholesale drug distributors and third-party logistics providers with a current and valid drug distributor accreditation from the National Association of Boards of Pharmacy or its successor can be eligible for the license. The bill prohibits health carriers or health benefit plans from establishing or implementing any policy or practice that imposes a time limit for the payment of anesthesia services provided during a medical or surgical procedure. Moreover, health carriers or health benefit plans are prohibited from establishing or implementing any policy that restricts or excludes all anesthesia time in calculating the payment of anesthesia services. Excepted benefit plans will be subject to the requirements of this bill.

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  
Department of Social Services  
Joint Committee on Administrative Rules  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Department of Transportation  
Office of the Secretary of State  
Oversight Division



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