

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4438H.03C
 Bill No.: HCS for HB Nos. 1945 & 2570
 Subject: Pharmacy; Drugs and Controlled Substances; Business and Commerce;
 Professional Registration and Licensing; Insurance - Health; Medicaid/MO
 HealthNet
 Type: Original
 Date: March 12, 2026

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)
Total Estimated Net Effect on General Revenue	(Unknown, Less than \$332,500)	(Unknown, Less than \$320,000)	(Unknown, Less than \$320,000)

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)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)

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)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

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. The language of this section of the proposal specifies that these provisions also apply to the MO HealthNet Division, Medicaid Managed Care Organizations, and the Missouri Consolidated Health Care Plan.

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/MSHP Health Care Board** 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
GENERAL REVENUE			
<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)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown, Less than \$332,500)	(Unknown, Less than \$320,000)	(Unknown, Less than \$320,000)
FEDERAL FUNDS			
<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)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)	(Unknown, Less than \$105,000)
OTHER STATE FUNDS			
<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)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)	(Unknown, Less than \$75,000)

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

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 the professional component of clinical pathology services provided by a hospital-based pathologist to be recognized as distinct physician services by the MO HealthNet program, which will reimburse the professional component of clinical pathology services provided to MO HealthNet participants. Payment will be made directly to the licensed physician providing the services or the entity that has been assigned by the right to receive payment for services provided.

If a state plan amendment is determined by the Department of Social Services to be required, the Department must submit the amendment in a timely manner and make all reasonable efforts to obtain Federal approval.

Currently, no person or outlet can act as a wholesale drug distributor, pharmacy distributor, drug outsourcer, or thirdparty 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
City of Kansas City



Julie Morff
Director
March 12, 2026



Jessica Harris
Assistant Director
March 12, 2026