

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5004H.02C
 Bill No.: HCS for HB 1894
 Subject: Insurance - Health; Health Care Professionals
 Type: Original
 Date: April 13, 2026

Bill Summary: This proposal creates provisions relating to health care provider participation in health insurance plans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(Unknown, greater than \$4,532,640)	(Unknown, greater than \$4,532,640)	(Unknown, greater than \$4,532,640)
Total Estimated Net Effect on General Revenue	(Unknown, greater than \$4,532,640)	(Unknown, greater than \$4,532,640)	(Unknown, greater than \$4,532,640)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Other Funds	(Unknown, greater than \$1,054,350)	(Unknown, greater than \$1,054,350)	(Unknown, greater than \$1,054,350)
State Road Fund	(\$8,000,000 to \$12,000,000)	(\$8,000,000 to \$12,000,000)	(\$8,000,000 to \$12,000,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, greater than \$1,854,350 to \$13,054,350)	(Unknown, greater than \$1,854,350 to \$13,054,350)	(Unknown, greater than \$1,854,350 to \$13,054,350)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal Funds MCHCP	(Unknown, greater than \$1,513,010)	(Unknown, greater than \$1,513,010)	(Unknown, greater than \$1,513,010)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown, greater than \$1,513,010)	(Unknown, greater than \$1,513,010)	(Unknown, greater than \$1,513,010)

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	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§376.1583 – Health Care Provider Participation

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this proposal creates provisions relating to health care provider participation in health insurance plans.

This legislation requires a health benefit plan to not discriminate against providers, letting any provider participate in any plan and receive the same amount of reimbursement for the same service. In consultation with MCHCP's third party administrator, MCHCP is estimating that medical claims costs would increase by 7% to 12% primarily driven by the erosion of provider discounts.

MCHCP anticipates FY27 medical claims costs will be \$527 million. MCHCP expects this legislation to impact mostly outpatient professional claims, which account for 15 percent of expected claims. Using the approximate midpoint of the estimated increase (9%), the fiscal impact would be unknown, but greater than \$7.1 million. While most of the cost increase would be borne by the state, there would also be an unknown impact to members' costs from increased out of pocket costs and any resulting increase in premiums.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the cost estimate as provided by MCHCP, broken out as the following:

General Revenue (63.84%) - Unknown, Greater than \$4,532,640
Federal Funds (21.31%) - Unknown, Greater than \$1,513,010
Other Funds (14.85%) - Unknown, Greater than \$1,054,350
Total (100%) – Unknown, Greater than \$7,100,000

Officials from the **Missouri Department of Transportation (MoDOT)** state while the MoDOT-MSHP medical plan does not fall under the definition of "health benefit plan" under 376.1350, this may apply to third party administrators that administer the plan's benefits. This will increase the costs for the health plan administrators which will likely be passed on as a self-insured plan.

MoDOT expects an increased plan cost between 7 and 9 percent, based on FTC studies. This equates to an estimated negative fiscal impact of \$8,000,000 to \$12,000,000.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the cost estimate as provided by MoDOT to the State Road Fund (1320).

Oversight assumes this proposal could have an unknown fiscal impact to local political subdivisions' health insurance plans.

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal would enact the “Patients First Act.” It would require the Department of Commerce and Insurance to implement and enforce a provision of the federal Public Health Service Act (42 U.S.C. 300gg-5) that prohibits health carriers from discriminating with respect to plan participation or coverage against health care providers acting within the scope of their license under state law.

It would also prohibit discrimination in reimbursement or participation against a provider based on the provider’s licensure and would require all health care providers to be reimbursed at the same rate for the same service as long as the service is within the provider’s scope of practice. The proposed substitute includes a provision stating that it does not require a “group health plan” or “health insurance issuer” to accept any willing provider into its network. These terms are not defined in this proposal or in state law.

The proposed substitute grants the Department of Commerce and Insurance rulemaking authority and specifies that nothing in the section can be construed to prevent health carriers from varying reimbursement rates based on quality or performance measures. Finally, it specifies that the proposal does not apply to physicians licensed under chapter 334.

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

Officials from the DCI assume the cost of the proposal can be absorbed. **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 **City of Kansas City, Department of Social Services** and the **Missouri Department of Conservation** 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.

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 – MCHCP (§376.1583)</u> Increased medical claims cost p.3	(Unknown, greater than <u>\$4,532,640</u>)	(Unknown, greater than <u>\$4,532,640</u>)	(Unknown, greater than <u>\$4,532,640</u>)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE	(Unknown, greater than <u>\$4,532,640</u>)	(Unknown, greater than <u>\$4,532,640</u>)	(Unknown, greater than <u>\$4,532,640</u>)
OTHER STATE FUNDS			
<u>Cost – MCHCP (§376.1583)</u> Increased medical claims cost p.3	(Unknown, greater than <u>\$1,054,350</u>)	(Unknown, greater than <u>\$1,054,350</u>)	(Unknown, greater than <u>\$1,054,350</u>)
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	(Unknown, greater than <u>\$1,054,350</u>)	(Unknown, greater than <u>\$1,054,350</u>)	(Unknown, greater than <u>\$1,054,350</u>)
STATE ROAD FUND (0320)			
<u>Cost – MoDOT (§376.1583)</u> Increased medical claims cost p.3	(\$8,000,000 to <u>\$12,000,000</u>)	(\$8,000,000 to <u>\$12,000,000</u>)	(\$8,000,000 to <u>\$12,000,000</u>)
ESTIMATED NET EFFECT TO THE STATE ROAD FUND	(\$8,000,000 to <u>\$12,000,000</u>)	(\$8,000,000 to <u>\$12,000,000</u>)	(\$8,000,000 to <u>\$12,000,000</u>)

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
FEDERAL FUNDS			
<u>Cost – MCHCP (§376.1583)</u> Increased medical claims cost p.3	(Unknown, greater than <u>\$1,513,010</u>)	(Unknown, greater than <u>\$1,513,010</u>)	(Unknown, greater than <u>\$1,513,010</u>)
ESTIMATED NET EFFECT TO FEDERAL FUNDS	(Unknown, greater than <u>\$1,513,010</u>)	(Unknown, greater than <u>\$1,513,010</u>)	(Unknown, greater than <u>\$1,513,010</u>)

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost - (§376.1583) Increased medical claims cost p.3</u>	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

A direct fiscal impact to small businesses offering group or individual health insurance coverage could be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill establishes the "Patients First Act".

The bill prohibits a group health plan or health insurance issuer offering group or individual health insurance coverage from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of the provider's license or certificate with an exclusion for physicians licensed under Chapter 334.

The health benefit plan cannot discriminate against a health care provider based on the provider's licensure with respect to reimbursement or participation in any plan or insurance program.

The bill requires a health care provider to be reimbursed at the same rate for the same service as long as the service is within the provider's scope of practice, but these provisions should not be construed to prevent a group health plan or a health insurance issuer from establishing varying reimbursement rates based on quality or performance measures.

This bill specifies that this provision should not be construed to require a group health plan or health insurance issuer to accept any willing provider into a network.

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 Public Safety - Missouri Highway Patrol
Department of Social Services
Missouri Department of Conservation
Missouri Department of Transportation
Office of the Secretary of State
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
City of Kansas City



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April 13, 2026



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April 13, 2026