

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5669S.03C
 Bill No.: SCS for HB 2146
 Subject: Department of Commerce and Insurance; Drugs and Controlled Substances; Health Care; Hospitals; Insurance - Health; Pharmacy
 Type: Original
 Date: May 5, 2026

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Road Fund (1320)	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)	\$0 to (Unknown, could exceed \$250,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

§§96.192, 96.196, 206.110 and 206.158 – Provisions Relating to Hospital Investments and Service Areas

Officials from the **Department of Health and Senior Services, Department of Higher Education and Workforce Development, Department of Revenue, Office of the State Treasurer, State Tax Commission, Platte County Board of Elections, St. Louis County Board of Elections** and **Newton County Health Department** 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.

In response to a previous version, officials from the **Department of Commerce and Insurance, Office of the Secretary of State, University of Missouri System, City of Kansas City, and St. Louis City Board of Elections** each assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation, SB 244 (2025), officials from the **Jackson County Board of Elections** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

§195.417 - Limits on Selling or Purchasing Certain Drugs

Oversight notes the change to this section appears to add clarifying language. Therefore, Oversight assumes no fiscal impact for this change.

§376.417 - 340B Drugs

Officials from the **Department of Commerce and Insurance (DCI)** state the proposal includes a provision that would prohibit health carriers and pharmacy benefit managers from engaging in activity, outlined in the statute, which would constitute discrimination against a covered entity under the 340B drug program. It would give the Department the authority to impose a civil penalty on health carriers, pharmacy benefit managers, or their affiliates for violations of the statute, and requires the Department to promulgate rules. This provision does have an impact on the Insurance Divisions.

The department believes the costs of this bill can be absorbed within their current appropriations. However, should the cost exceed the anticipated amount, the department would request an increase to their 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.

In response to similar legislation, Perfected HCS for HB 2372, officials from the **Missouri Department of Transportation (MoDOT) - Missouri Highway Patrol (MHP)** state this section has no direct impact on the MoDOT-MSHP medical plan but would increase costs for third party administrators which in turn would be passed on to the plan when the contract is renewed.

Since it is unknown if this proposal will result in a cost to the medical plan that could pass on to members, **Oversight** will range the fiscal impact as \$0 to Unknown, greater than \$250,000 to the State Road Fund (1320). Oversight assumes this proposal could have a fiscal impact on local political subdivisions.

Oversight notes provisions of §376.417.3 imposes a civil penalty on any health carrier, pharmacy benefits manager, or agent or affiliate of such health carrier or pharmacy benefits manager that violates provisions of this subsection. The penalty may not exceed \$5,000 per day. Oversight notes that violations resulting in fines could vary widely from year to year. Penalties collected per Article IX, Section 7 of the Missouri Constitution requires fines to be distributed to the school district where the violation occurred; therefore, Oversight will reflect a positive fiscal impact of \$0 to Unknown to local school districts on the fiscal note.

Responses Regarding the Proposed Legislation:

Officials from the **Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Corrections, Department of Revenue, Department of Public Safety - Missouri Highway Patrol, MoDOT & Patrol Employees' Retirement System, Office of the State Treasurer, Platte County Board of Elections, St. Louis County Board of Elections, Newton County and State Tax Commission**, 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, local election authorities, counties, county health departments, nursing homes 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 **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
STATE ROAD FUND (1320)			
<u>Cost*</u> – MoDOT (§376.417) Enrollee’s cost sharing p.4	\$0 to (Unknown, could exceed <u>\$250,000</u>)	\$0 to (Unknown, could exceed <u>\$250,000</u>)	\$0 to (Unknown, could exceed <u>\$250,000</u>)
ESTIMATED NET EFFECT ON STATE ROAD FUND	\$0 to (Unknown, could exceed <u>\$250,000</u>)	\$0 to (Unknown, could exceed <u>\$250,000</u>)	\$0 to (Unknown, could exceed <u>\$250,000</u>)

***Oversight** assumes this proposal could result in a cost to the MoDOT-MSHP and local medical plans that could potentially be passed on to members.

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue gain</u> – School Districts (§376.417.3) Fines from violations p.4	\$0 to Unknown*	\$0 to Unknown*	\$0 to Unknown*
<u>Cost*</u> – Medical Plans (§376.417) Enrollee’s cost sharing p.4	\$0 to (Unknown)*	\$0 to (Unknown)*	\$0 to (Unknown)*
<u>Cost*</u> - Local Political Subdivisions Increased medical insurance obligations 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)

***Oversight** assumes this proposal could result in a cost to the MoDOT-MSHP and local medical plans that could potentially be passed on to members. Oversight also assumes a potential revenue from civil fine penalties.

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to health care providers.

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 Health and Senior Services
- Department of Commerce and Insurance
- Department of Higher Education and Workforce Development
- Department of Revenue
- Office of the State Treasurer
- University of Missouri System
- State Tax Commission
- City of Kansas City

L.R. No. 5669S.03C
Bill No. SCS for HB 2146
Page 7 of 7
May 5, 2026

Jackson County Board of Elections
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Newton County Health Department
Office of the Secretary of State
Missouri Department of Transportation



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May 5, 2026



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