

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5996S.03A
 Bill No.: SS for HCS for HB 2596 with SA1 & SA2
 Subject: Insurance - Health, Health Care; Health, Public; Pharmacy
 Type: Original
 Date: April 16, 2026

Bill Summary: This proposal modifies provisions relating to multiple employer self-insured health plans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	(Could exceed \$50,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(Could exceed \$50,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Road Fund (1320)	(Unknown)	(Unknown)	(Unknown)
Conservation Commission Fund (1609)	(Unknown)	(Unknown)	(Unknown)
*Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

***Oversight** assumes the total net effect on other state funds would not exceed \$250,000 annually.

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	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§376.1000, 376.1012 & 376.1017 - Multiple Employer Self-Insured Health Plans

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposed substitute amends existing law related to multiple employer self-insured health plans. It would extend eligibility for participating in such a plan to two or more self-employed individuals, each with at least one common-law employee, and their dependents. It requires MEWAs to file annual statements and risk-based capital reports. Finally, it also revises the required surplus account amount for multiple employer self-insured health plans to be either \$600,000 or an amount equal to two times the authorized control level risk-based capital. In addition to the MEWA provisions, this proposal includes two additional provisions related to health insurance.

Senate Amendment 1 (§376.1960) – Home blood pressure monitoring devices

Officials from the **Department of Commerce and Insurance (DCI)** assume the Affordable Care Act (ACA) requires all non-grandfathered individual and small group health plans to cover a core set of health care services within 10 essential health benefit (EHB) categories. In 2012, Missouri, like other states, adopted a benchmark plan that defined the core benefits these plans must offer in the state. The ACA also requires that the cost of a new coverage mandate added by a state after adoption of its benchmark plan that is above and beyond the EHB benchmark will be the responsibility of the state.

45 C.F.R. 155.170 requires states to defray the cost of additional required benefits mandated by a state on or after January 1, 2012. States may require qualified health plans to offer benefits in addition to essential health benefits. States will identify which state-required benefits are in addition to the EHB and must make payments to defray the cost of additional benefits either to enrollees in qualified health plans or directly to the qualified health plans, on behalf of their enrollees.

Documentation provided by the U. S. Department of Health and Human Services, Center for Consumer Information & Insurance Oversight (CCIIO) in October 2018 instructed states as follows:

Although it is the state's responsibility to identify which state required benefits require defrayal, states must make such determinations using the framework finalized at §155.170, which specifies that benefits required by state action taking place on or before December 31, 2011, may be considered EHB, whereas benefits required by state action taking place after December 31, 2011, other than for purposes of compliance with federal requirements, are in addition to EHB and must be defrayed by the state. For example, a law requiring coverage of a benefit passed by a state after December 31, 2011, is still a state-mandated benefit requiring defrayal even if the text of the law says otherwise.

This proposal requires, in pertinent part, that “Health benefit plans delivered, issued for delivery, continued or renewed in this state on or after January 1, 2026, and providing for maternity benefits, shall provide coverage for a home blood pressure monitoring device for pregnant and postpartum women.” This provision appears to create a new mandate for which the state must defray payments, as required under federal law. As a result, the state may be required to defray the actuarial cost of new coverage requirements and make payments to either issuers or beneficiaries to negate potential premium increases. DCI does not know the increased utilization that may be created by the provisions of this proposal. As a result, there is a zero to unknown negative impact to General Revenue.

In 2011, the Missouri General Assembly enacted section 376.1190, which states that “any health care benefit mandate proposed after August 28, 2011, shall be subject to review by the Oversight Division of the Joint Committee on Legislative Research. The Oversight Division shall perform an actuarial analysis of the cost impact to private and public payers of any new or revised mandated health care benefit proposed by the General Assembly after August 28, 2011, and a recommendation shall be delivered to the speaker and the president pro tem prior to mandate being enacted.”

The department believes the costs of this bill can be absorbed within the 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.

Officials from the DCI assume the department can absorb the cost relating to the proposal. **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 **Oversight Division** state in 2011, the Missouri General Assembly enacted section 376.1190, which states, “any health care benefit mandate proposed after August 28, 2011, shall be subject to review by the oversight division of the joint committee on legislative research. The oversight division shall perform an actuarial analysis of the cost impact to private and public payers of any new or revised mandated health care benefit proposed by the general assembly after August 28, 2011, and a recommendation shall be delivered to the speaker and the president pro tem prior to mandate being enacted.”

The customary process for an actuarial analysis involves Oversight contracting with an outside firm who will request experience data from the largest insurance carriers in the State of Missouri. Since current law (§376.1190) requires any “proposed” mandate receive an actuarial analysis, the timing may not allow for such in-depth reviews. In 2013 Oversight contracted with a company to perform an actuarial analysis for Senate Bill 262, Senate Bill 159, and Senate Bill 161. Due to the timing of the analysis, the company noted requesting outside data was not possible. This limited analysis in 2013 cost almost \$25,000. Given the cost increases over the last ten years, the varying degree of available information to the outside firm and the potential for more in-depth

analysis if the information and timing allow, we can easily assume that a current analysis “could exceed \$50,000”.

The Oversight Division does not currently have the appropriation to cover the costs of an actuarial analysis and would need to request such additional funding through the budget process.

In response to similar legislation, SB 1089 (2026), officials from the **Missouri Department of Conservation (MDC)** stated they anticipate an unknown fiscal impact of less than \$250,000.

Oversight does not have any information to the contrary. Oversight will reflect MDC’s costs to the Conservation Commission Fund as “Less than \$250,000”.

Officials from the **Missouri Department of Transportation (MoDOT)** assume this bill requires health providers to provide coverage for blood pressure monitoring devices for pregnant and postpartum women. This will negatively impact the MoDOT-MSHP medical plan. The negative impact on the State Road Fund is unknown and would depend on usage by pregnant and postpartum enrollees.

Oversight does not have any information to the contrary. MoDOT did not provide an estimate of the fiscal impact to their organization. Therefore, Oversight will reflect MODOT’s costs to the State Road Fund as “Unknown”. However, Oversight assumes insurance coverage for the maternity services in this proposal would not exceed \$250,000 annually.

In response to similar legislation, SB 1089 (2026), officials from the **City of Kansas City** assumed the proposed legislation has a negative fiscal impact of an indeterminate amount.

Oversight assumes this legislation could have a negative impact on local health plans and therefore will reflect an unknown cost to local political subdivisions

In response to similar legislation, SB 1089 (2026), officials from the **Department of Social Services** 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.

Senate Amendment 2 (§376.1240) - Self-administered Hormonal Contraceptives

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal would put a sunset date of December 31, 2026, on current law that requires self-administered contraceptives be dispensed in a 90 or 180 day supply. It would require health carriers who currently provide coverage for self-administered contraceptives to provide such coverage for a year’s supply of contraceptives dispensed at one time, beginning January 1, 2027. Since this requirement would only apply to carriers who already provide coverage for self-administered contraceptives and relate to how the products are dispensed, it would not be considered a new

mandate.

DCI assumes the costs of this section of bill can be absorbed within current appropriations. However, should the cost be more than anticipated, the department would request an increase to FTE and/or appropriations as appropriate through the budget process.

Officials from the DCI assume the department can absorb the cost relating to the proposal. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to similar legislation, HB 2370 (2026), officials from **City of Kansas City** assumed this section of the proposal could have a negative fiscal impact in an indeterminate amount.

Oversight assumes this section requires health benefit plans issued or renewed on or after January 1, 2027, that provide coverage for self-administered hormonal contraceptives, as defined in the act, to cover a supply of the contraceptives which is intended to last up to ninety days, or up to 180 days for a generic self-administered hormonal contraceptive. **Oversight** will reflect a \$0 to Unknown cost to Local Political Subdivisions.

In response to similar legislation, HB 2370 (2026), officials from the **Department of Social Services** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the above-mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Health and Senior Services** and the **Missouri Consolidated Health Care Plan** each assume the proposal will have no fiscal impact on their respective organizations.

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 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.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – Oversight Division (§376.1960)</u> Actuarial analysis/impact study p.5	Could exceed <u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed <u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>
STATE ROAD FUND (1320)			
<u>Cost – MoDOT (§ 376.1960) Blood</u> pressure monitoring devices p.5	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
CONSERVATION COMMISSION FUND (1609)			
<u>Cost – MDC (§ 376.1960) Blood</u> pressure monitoring devices p.4-5	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost – (\$376.1960) Blood pressure monitoring devices p.5</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost – Local Political Subdivisions (\$376.1240) Hormonal Contraceptive Coverage p.5-6</u>	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

A direct fiscal impact on small businesses that utilize multiple employer self-insured health plans could be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to multiple employer self-insured health plans.

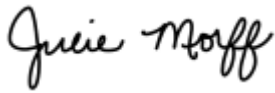
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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
- Missouri Department of Conservation
- Missouri Department of Transportation

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Missouri Consolidated Health Care Plan
Oversight Division
City of Kansas City



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April 16, 2026



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