

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6310H.02P  
 Bill No.: Perfected HCS for HJR 154  
 Subject: Constitutional Amendments; Medicaid/MO HealthNet  
 Type: Original  
 Date: February 12, 2026

Bill Summary: This proposal proposes a constitutional amendment relating to MO HealthNet work requirements.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (More than \$9,000,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$9,000,000)</b>	<b>\$0</b>	<b>\$0</b>

\*The potential fiscal impact of “(More than \$9,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

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

**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*</b>	<b>\$0</b>	<b>\$0</b>

\*The potential fiscal impact to local election authorities (reimbursed by the state) would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

## FISCAL ANALYSIS

### ASSUMPTION

#### HJR - MO HealthNet Work Requirements

Officials from the **Office of the Secretary of the State (SOS)** assumed, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, joint resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a joint resolution to a vote of the people, Section 115.063.2, RSMo., requires the state to pay the costs. The cost of a special election has been estimated to be \$9 million based on the cost of past primary and general election reimbursements.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY27 publication cycle, the SOS estimates publication costs at \$515,000 per ballot measure. This amount is an average and will be subject to change based on the number of petitions received, length of those petitions, and rates charged by newspaper publishers. In a year where many lengthy measures must be published, the Secretary of State's Office may need to budget up to \$10,000,000 to ensure sufficient funding is available to meet its constitutional obligations for the election cycle.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

**Oversight** has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2027. This reflects the decision made by the Joint Committee on Legislative Research that

the cost of the elections should be shown in the fiscal note. Per the SOS, the cost is estimated at \$9 million based on past costs as well as the anticipation of significant increases in future election-related expenses. The next scheduled statewide general election is in November 2026 (FY 2027). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2027.

In response to a previous version, officials from the **Office of Attorney General (AGO)** assumed any potential litigation costs arising from this proposal could be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Health and Senior Services** defer to the DSS, MO Healthnet Division for the potential fiscal impact of this proposal.

In response to a previous version, officials from the **Office of Administration - Budget and Planning** deferred to DSS for the potential fiscal impact of this proposal.

Officials from the **Department of Mental Health (DMH)** state the anticipated fiscal impact to DMH for Comprehensive Psychiatric Rehab (CPR), Comprehensive Substance Treatment and Rehabilitation (CSTAR), Certified Community Behavioral Health Clinics (CCBHO) and Developmental Disabilities (DD) waiver services are included in the DSS estimate.

If the General Assembly authorizes work and community engagement requirements, the DMH assumes participants in the substance use disorder treatment program would meet the work requirement criteria and still qualify for Medicaid.

Officials from the **Department of Social Services (DSS)** state, currently there is no fiscal impact. DSS is awaiting federal guidance on this provision of H.R. 1. The federal legislation mandates guidance be provided to States by June of 2026. DSS must implement work requirements by December of 2026 based on the aforementioned guidance. To any extent language passed on the November ballot by voters deviates from the implementation of federal law and finalized federal guidance, there would be a fiscal impact. DSS is unable to determine the amount at this time.

Upon further inquiry with DSS, **Oversight** learned Federal law, HR 1, contains stipulations regarding Medicaid work requirements. This law will be in effect and therefore, DSS is required to implement Medicaid work requirements even if this proposal does not pass. DSS has already submitted budget requests accordingly. However, any additional provisions added by the State

could have a fiscal impact. Without more information from its federal partners, any fiscal impact would be speculative.

Therefore, Oversight assumes DSS will be provided with core funding to handle the fiscal impact of the work requirements in federal law, H.R. 1. Oversight assumes DSS could absorb the costs currently related to this proposal. If changes or provisions are added which require additional staffing and duties at substantial costs, DSS could request funding through the appropriation process. Should DSS receive timely information from its federal partners, Oversight will review the information to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. Officials from the DSS assume the current proposal will have no fiscal impact on their organization. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Officials from the **Department of Economic Development, Department of Public Safety - Missouri Veterans Commission, Platte County Board of Elections, St. Louis City Board of Election Commissioners and St. Louis County Board of Elections** 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 Higher Education and Workforce Development** 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.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other local elections authorities, local public health agencies, 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
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - SOS reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than <u>\$9,000,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE*</b>	<b>\$0 or (More than <u>\$9,000,000</u>)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

\*The potential fiscal impact of “(More than \$9,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - Local Election Authorities Reimbursement of election costs by the State for a special election	\$0 or More than \$9,000,000	\$0	\$0
<u>Cost</u> - Local Election Authorities Cost of a special election <b>if</b> called for by the Governor	\$0 or (More than <u>\$9,000,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

Missouri Constitution Article IV, Section 36 provisions could have a direct, negative fiscal impact on small health care providers or clinics that accept MO HealthNet payments if recipients lose benefits because of not meeting the work requirements of the proposal. Yet it also may help small businesses that are looking for qualified applicants to fill vacant employment positions.

## FISCAL DESCRIPTION

If approved by voters, this constitutional amendment would require the Department of Social Services, MO HealthNet Division to implement work requirements for applicable individuals, as defined in the bill.

Applicable individuals must demonstrate compliance with the work requirements for the month preceding the month during which the individual applies, and no applicable individual will remain enrolled in MO HealthNet unless compliance has been demonstrated. The bill specifies that those seeking an exemption from the work requirements must provide documentation for the exemption sought.

The Department is prohibited from seeking or implementing any additional optional exemptions provided for by federal law, unless a general statute law expressly authorizes the implementation of the exemption. Additionally, the Department is prohibited from accepting exemption designations, approvals, or determinations by a managed care organization.

Currently, the Department is required to take all actions necessary to maximize federal financial participation in funding medical assistance. This bill repeals that requirement.

Currently, no greater or additional burdens or restrictions on eligibility or enrollment standard, methodologies, or practices can be imposed on persons eligible for MO HealthNet services than on any other population eligible for medical assistance. This bill repeals that restriction.

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

Attorney General's Office  
Department of Economic Development  
Department of Health and Senior Services  
Department of Higher Education and Workforce Development  
Department of Mental Health  
Department of Public Safety - Missouri Veterans Commission  
Department of Social Services  
Office of the Secretary of State  
Platte County Board of Elections  
St. Louis City Board of Election Commissioners  
St. Louis County Board of Elections



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