

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2293S.01I
Bill No.: SB 504
Subject: Health Care; Hospitals; Insurance - Health; Medicaid/MO HealthNet; Social
Services, Department of
Type: Original
Date: April 20, 2021

Bill Summary: This proposal establishes requirements for the provision of MO HealthNet benefits by non-profit hospitals.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
University Of Missouri Health Care	Could exceed (\$8,333,333)	Could exceed (\$10,000,000)	Could exceed (\$10,000,000)
Total Estimated Net Effect on <u>Other</u> State Funds	Could exceed (\$8,333,333)	Could exceed (\$10,000,000)	Could exceed (\$10,000,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.153 – Hospitals to provide medically necessary services to MO HealthNet participants

Officials from the **University of Missouri Health Care (MUHC)** stated they determined that, depending on how this bill is implemented, it will have a negative fiscal impact in excess of \$10 million for the MUHC.

Oversight notes this response is similar to the MUHC response to HCS for HB 1291 from the current session. Oversight contacted MUHC officials for clarification on their response to HCS for HB 1291, and was told that MUHC reviewed their contracts against the impact of what they thought the language of the proposed legislation would do to their current Medicaid payments. The estimate they provided is what they believe to be the low end of what the fiscal impact would be annually.

Oversight has no information to the contrary. Therefore, Oversight will reflect the estimates provided by MUHC.

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Department of Social Services** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
UNIVERSITY OF MISSOURI HEALTH CARE (MUHC)			
<u>Loss – MUHC (§208.153)</u> Contracts and current Medicaid payments	<u>Could exceed</u> <u>(\$8,333,333)</u>	<u>Could exceed</u> <u>(\$10,000,000)</u>	<u>Could exceed</u> <u>(\$10,000,000)</u>
ESTIMATED NET EFFECT ON THE UNIVERSITY OF MISSOURI HEALTH CARE	<u>Could exceed</u> <u>(\$8,333,333)</u>	<u>Could exceed</u> <u>(\$10,000,000)</u>	<u>Could exceed</u> <u>(\$10,000,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Under this act, any nonprofit licensed hospital serving as a MO HealthNet provider shall not deny the provision of medically necessary services to a MO HealthNet participant for which the participant is eligible, and for which the hospital provides in its regular course of business, on the basis of the participant's status as a fee-for-service participant or a managed care enrollee (§208.153).

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

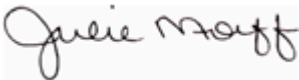
SOURCES OF INFORMATION

Department of Health and Senior Services

Department of Mental Health

Department of Social Services

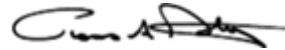
University of Missouri Health Care



Julie Morff

Director

April 20, 2021



Ross Strobe

Assistant Director

April 20, 2021