

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3761S.01I
Bill No.: SB 637
Subject: Abortion; Health Care; Health Care Professionals; Medicaid/MO HealthNet
Type: Original
Date: January 12, 2022

Bill Summary: This proposal excludes from eligible MO HealthNet providers any abortion providers and affiliates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal*	(\$0 to \$166,000,000)	(\$0 to \$166,000,000)	(\$0 to \$166,000,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$0 to \$166,000,000)	(\$0 to \$166,000,000)	(\$0 to \$166,000,000)

* The range reflects potential loss due to potential federal sanctions against the Title XIX federal claim.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.152 and §208.153 Excludes from eligible MO HealthNet providers any abortion facility or any affiliate or associate thereof

Officials from **Department of Social Services (DSS)** state proposed sections 208.152.1(6) and 208.153.1 could result in federal sanctions in that these amendments prohibit abortion providers and their affiliates from providing healthcare assistance to MO HealthNet participants. Section 1902(a)(23)(A) of the Social Security Act requires a state Medicaid agency to allow Medicaid participants to obtain medical assistance from any institution, agency, community pharmacy or person qualified to perform such assistance who undertakes to perform such assistance (“freedom of choice of provider” provision). This requirement is further set forth in Missouri’s State Medicaid Plan, as required by federal law. While DSS is unaware of another state prohibiting a group of providers in the manner in which is proposed by this legislation, DSS does believe that this would likely violate the “freedom of choice of provider” provision of federal law and could subject the Department of Social Services to federal sanctions.

However, the Department is not certain how CMS would respond to the language. Therefore, the cost is presented as a range, from \$0 to approximately 2% of the total Title XIX federal claim for the last four quarters.

Oversight does not have any information contrary to that provided by DSS. Therefore, Oversight will reflect DSS’s impact of “\$0 to (\$166,000,000)” for fiscal note purposes.

Officials from the **Department of Health and Senior Services**, each assume 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 this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other hospitals were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in Oversight’s database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
FEDERAL FUNDS			
Potential loss – DSS/MHD (§§208.152 and §208.153) Potential loss of federal portion of the pharmacy appropriation.	(\$0 to \$166,000,000)	(\$0 to \$166,000,000)	(\$0 to \$166,000,000)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$0 to \$166,000,000)</u>	<u>(\$0 to \$166,000,000)</u>	<u>(\$0 to \$166,000,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<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.

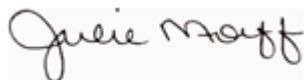
FISCAL DESCRIPTION

This act excludes from eligible MO HealthNet providers any abortion facility or any affiliate or associate thereof (§208.152 and §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 Social Services



Julie Morff
 Director
 January 12, 2022



Ross Stroe
 Assistant Director
 January 12, 2022