

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0370S.01I  
Bill No.: SB 282  
Subject: Health Care; Hospitals; Medicaid/MO HealthNet; Public Assistance; Department  
of Social Services  
Type: Original  
Date: January 5, 2023

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Bill Summary: This proposal prohibits Medicaid payments to health care providers for services for non-Missouri residents.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §208.186 - Prohibits Medicaid payments for non-Missouri residents

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state, effective July 1, 2022, MHD rebased the inpatient per diem and changed the add-on payments paid to hospitals. The add-on payments no longer include reimbursement for non-Missouri residents, therefore, there would be no impact to MHD.

**Oversight** does not have any information to the contrary. In discussions with DSS officials, Oversight learned that effective July 1, 2022, the Missouri Code of State Regulations (CSR) regarding payments to Missouri hospitals was updated to eliminate payments, add-ons, and reimbursements to health care providers through MO HealthNet for medical assistance services provided to non-Missouri Medicaid patients.

Prior to the CSR changes, the Direct Medicaid payment, which included the reimbursement for non-Missouri residents, was included 13 CSR 70-15.015. When MHD rebased and updated the methodology, this payment was **repurposed** into the payments now outlined in 13 CSR 70-15.010 and 13 CSR 70-15.230. Prior regulation language which included non-Missouri residents, was removed. Because the new payment calculations in the updated CSRs do not impact the amount of funds collected, only how the funds are disbursed, the recalculations have a budget neutral result. The provisions of this proposal will not change MHD's current reimbursement calculation or methodology. Therefore, Oversight will reflect a zero impact in the fiscal note for DSS, MHD.

Officials from the **Department of Health and Senior Services** defer to the Department of Social Services for the potential fiscal impact of this proposal.

Officials from the **Department of Commerce and Insurance** and the **Department of Mental Health** 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 hospitals, nursing homes and local public health agencies were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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.

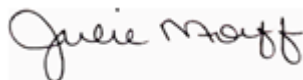
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

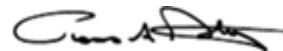
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance  
 Department of Health and Senior Services  
 Department of Mental Health  
 Department of Social Services



Julie Morff  
 Director  
 January 5, 2023



Ross Strobe  
 Assistant Director  
 January 5, 2023