

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1839S.01I
Bill No.: SB 539
Subject: Department of Commerce and Insurance; Health Care; Insurance - Health;
Medicaid/MO HealthNet; Department of Social Services
Type: Original
Date: April 20, 2025

Bill Summary: This proposal requires MO HealthNet and health benefit plans providing for maternity benefits to cover a home blood pressure monitoring device and associated services for pregnant and postpartum women.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General	Could exceed (\$62,500 to \$543,640)	\$0 to Up to (\$496,164)	\$0 to Up to (\$512,165)
Total Estimated Net Effect on General Revenue	Could exceed (\$62,500 to \$543,640)	\$0 to Up to (\$496,164)	\$0 to Up to (\$512,165)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
State Road Fund (0320)	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds*	(Unknown)	(Unknown)	(Unknown)

* **Oversight** assumes the fiscal impact to the State Road Fund would not exceed \$250,000 annually.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 208.152 - Requires MO HealthNet to cover home blood pressure monitoring devices for pregnant and postpartum women

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHN)** state this legislation repeals § 208.152, RSMo, and enacts two new sections relating to payments for home blood pressure monitoring. It adds, for pregnant and postpartum women, a home blood pressure monitoring device, under additional benefit payments for medical assistance.

The blood pressure monitoring device should be validated for clinical accuracy, device calibration and the patient should receive education and training services on the setup and use of the device. MHD plans to implement coverage of Self-Monitoring Blood Pressure devices for pregnant and postpartum women subject to medical necessity, effective February 1, 2025. Coverage for this benefit is already provided for individuals age 20 and under.

This legislation also adds § 376.1960. It states 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.

Since this legislation is under § 208.152, it applies to MO HealthNet and would have an impact. This change would result in an impact to the Managed Care capitation rates of up to \$650,000 (annually) and the actuarial cost to evaluate this program change would be no more than \$25,000. For FY27 and FY28, a 6.5% medical inflation rate was used. Because the language does not limit the service to medical necessity, it is implied that services that are not medically necessary shall be provided. The fiscal estimate for the benefit is limited to the incremental increase to remove medical necessity and does not represent the entire cost of the Self Measured Blood Pressure (SMBP) benefit for pregnant and postpartum women.

DSS estimates for the costs of this proposal are as follows:

FY26 Total: \$25,000 to \$675,000 (GR: \$12,500 to \$243,640; Federal: \$12,500 to \$431,360)
FY27 Total: \$0 to \$692,250 (GR: \$0 to \$246,164; Federal: \$0 to \$446,086)
FY28 Total: \$0 to \$737,246 (GR: \$0 to \$262,165; Federal: \$0 to \$475,081)

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DSS, MHD.

§ 376.1960 - Requires health benefit plans to cover home blood pressure monitoring devices for pregnant and postpartum women

Officials from the **Department of Commerce and Insurance (DCI)** state the Affordable Care Act (ACA) requires all non-grandfathered individual and small group health plans to cover a core set of healthcare 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 benchmark plan was updated in 2017, based on a plan that was sold in 2014. Missouri has not made any further updates to its EHB benchmark plan. 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:

[A]lthough 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 requirement 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.

Officials from the **Missouri Department of Conservation (MDC)** state they anticipate an unknown fiscal impact of less than \$250,000.

Officials from the **Missouri Department of Transportation (MoDOT)** state 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 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.

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, Oversight assumes 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.

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. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs – DSS, MHD (§ 208.152)</u>			
Actuarial costs p. 3	(\$12,500)	\$0	\$0
Increased capitation rates p. 3	<u>\$0 to</u> <u>(\$231,140)</u>	<u>\$0 to</u> <u>(\$246,164)</u>	<u>\$0 to</u> <u>(\$262,165)</u>
Total <u>Costs</u> - DSS, MHD	<u>(\$12,500 to</u> <u>\$243,640)</u>	<u>\$0 to</u> <u>(\$246,164)</u>	<u>\$0 to</u> <u>(\$262,165)</u>
<u>Costs</u> - DCI (§ 376.1960) Blood pressure monitoring devices p. 4	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> - MDC (§ 376.1960) Blood pressure monitoring devices p. 5	Up to (\$250,000)	Up to (\$250,000)	Up to (\$250,000)
<u>Costs – Oversight Division</u> (§ 376.1960) Actuarial analysis/impact study p. 5	<u>Could exceed</u> <u>(\$50,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Could exceed</u> <u>(\$62,500 to</u> <u>\$543,640)</u>	<u>\$0 to Up to</u> <u>(\$496,164)</u>	<u>\$0 to Up to</u> <u>(\$512,165)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
STATE ROAD FUND (#0320)			
<u>Costs</u> – MoDOT (§ 376.1960) – increase in share of health care costs 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>
FEDERAL FUNDS			
<u>Income</u> - DSS, MHD (§ 208.152) Reimbursement for actuarial costs and increased capitation rates p. 3	<u>\$12,500 to \$431,360</u>	<u>\$0 to \$446,086</u>	<u>\$0 to \$475,081</u>
<u>Costs</u> – DSS, MHD (§ 208.152)			
Actuarial costs p.	(\$12,500)	\$0	\$0
Increased capitation rates p. 3	<u>\$0 to (\$418,860)</u>	<u>\$0 to (\$446,086)</u>	<u>\$0 to (\$475,081)</u>
Total <u>Costs</u> - DSS, MHD	<u>(\$12,500 to \$431,360)</u>	<u>\$0 to (\$446,086)</u>	<u>\$0 to (\$475,081)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small business medical equipment providers may see increased sales or rentals of blood pressure monitoring equipment.

FISCAL DESCRIPTION

This act provides that MO HealthNet and health benefit plans providing for maternity benefits shall provide coverage for a home blood pressure monitoring device and home blood pressure monitoring device services, as defined in the act, for pregnant and postpartum women.
(§ 208.152 and § 376.1960)

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
Missouri Consolidated Health Care Plan
Oversight Division



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