

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5289S.01I
 Bill No.: SB 887
 Subject: Department of Commerce and Insurance; Department of Health and Senior Services; Health Care; Health Care Professionals; Public Health; Insurance - Health; Medical Procedures and Personnel; Nurses; Pharmacy; Physicians
 Type: Original
 Date: January 20, 2026

Bill Summary: This proposal establishes the "Missouri Lyme Disease Eradication Act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	Could exceed (\$1,165,086 to \$1,542,686)	Could exceed (\$1,256,532 to \$1,634,132)	Could exceed (\$1,277,322 to \$1,654,922)
Total Estimated Net Effect on General Revenue	Could exceed (\$1,165,086 to \$1,542,686)	Could exceed (\$1,256,532 to \$1,634,132)	Could exceed (\$1,277,322 to \$1,654,922)

*Range based on cost of medical treatments and amount appropriated to research.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Lyme Research and Eradication Fund*	\$0	\$0	\$0
Other State Funds	(\$20,250 to \$108,750)	(\$20,250 to \$108,750)	(\$20,250 to \$108,750)
State Road Fund (1320)	(\$35,000 to \$195,000)	(\$35,000 to \$195,000)	(\$35,000 to \$195,000)
Colleges and Universities**	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on Other State Funds	Less than (\$55,250 to \$303,750)	Less than (\$55,250 to \$303,750)	Less than (\$55,250 to \$303,750)

*Revenue gain and expenses net to zero.

**Oversight assumes the fiscal impact to colleges and universities will not exceed the \$250,000 threshold. Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Federal Funds	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)
Total Estimated Net Effect on All Federal Funds	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	8 FTE	8 FTE	8 FTE
Total Estimated Net Effect on FTE	8 FTE	8 FTE	8 FTE

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
Local Government	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL ANALYSIS

ASSUMPTION

§§192.020, 192.026-192.028, and 376.1223 - "Missouri Lyme Disease Eradication Act"

Officials from the **Department of Health and Senior Services (DHSS)** state as follows:

Section 192.020 of the proposed legislation adds Lyme disease to the list of statutorily required reportable conditions.

Section 192.026 of the proposed legislation Establishes the “Missouri Lyme Disease Eradication Act”

Section 192.026.2 of the proposed legislation defines Lyme disease to includes several *Borrelia* species. In addition, adds other human pathogens including *Bartonella*, *Babesia*, *Ehrlichia*, or related species, that are transmitted to humans by ticks, that are diagnosed by two-tier serologic testing recommended by CDC, or similar blood test ordered by a treating health care provider or by clinical evaluation.

- The impact includes the likely reporting and investigation of *Bartonella* infections, which are not currently nationally notifiable or reportable in Missouri. Adding *Bartonella* would require updating the ShowMe WorldCare and MODROP systems to allow laboratories and medical providers to report positive results and manage the subsequent data collected. The reports of *Bartonella* would then require public health investigation to collect additional information regarding the reported case. To complete this work, the DHSS, Office of Epidemiology’s Bureau of Data Modernization and Interoperability (DMI) will need 0.5 FTE (Senior Research/Data Analyst).
- The Bureau of Communicable Disease Control and Prevention would require 2.0 FTE Associate Epidemiologists to develop a standard case report forms for *Bartonella* infections, assist in the investigation and data collection of reported *Bartonella* infections and meet the additional requirements for the investigation and reporting of all “Lyme disease” as outlined in 192.026.4.

Section 192.026.4 of the proposed legislation requires the Department to compile an annual report on the incidence and prevalence of Lyme disease in Missouri, including treatment outcomes and barriers to care. Treatment outcomes are not generally followed beyond initial interview and barriers to care are currently not part of the routine investigation for Lyme disease.

- The impact of requiring the addition of treatment outcomes and barriers to care would result in the adjustment of forms and ShowMe WorldCare to collect the information. The collection of the information would likely require multiple additional follow up calls for all cases of “Lyme disease” as defined in 192.026.2. In addition, the data would need to be compiled into an annual report to be submitted to CDC, the General Assembly, and published on the DHSS website. The

FTE required to perform this work are accounted for in the impacts listed in 192.026.2 and 192.026.5.

- However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Section 192.026.5 of the proposed legislation requires Missouri Department of Health and Senior Services (DHSS) to collaborate with the University of Missouri or any public four-year institution of higher education to integrate Lyme disease surveillance data into existing tick-borne disease monitoring programs.

- Impact: The outreach and subsequent collaboration with University of Missouri or other four-year public institution will require an additional 0.5 FTE (Epidemiologist).
- The overall cost estimates could increase in the future, dependent on the extent of the collaboration and subsequent projects. If the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Section 192.026.7 of the proposed legislation allows for the Department of Health and Senior Services to promulgate any rules and regulations necessary to implement the provision of this section and section 192.027.

- Impact: The Missouri Department of Health and Senior Services would use the FTE requested and existing FTE to develop any additional Rules required.
- However, if the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

Section 192.027.1 of the proposed legislation establishes the “Lyme Research and Eradication Fund” in the state treasury. The state treasurer is the custodian of the funds. Requires the funds to be used solely by the Missouri Department of Health and Senior Services for the purpose of implementing the provision of the section.

Section 192.027.2 of the proposed legislation provisions include: distribute grants to public four-year institutions of higher education, research institutions, and nonprofit organizations for Lyme Disease that includes, but not limited to, (1) improved diagnostics, therapies, and treatment; (2) study of novel therapies, (3) eradication strategies including, but not limited to tick population control, deer management programs, and environmental interventions.

Section 192.027.3 of the proposed legislation requires the prioritization of grants based on insurance claims data reported under subsection 5 of section 376.1223, with an emphasis on high incidence areas and underserved populations. Also requires no less than 20% of the funds to be used for education efforts in rural counties.

Section 192.027.4 of the proposed legislation requires the Missouri Department of Health and Senior Services to submit a report to the general assembly no later than March 1st of each year.

The report must detail fund expenditures, research outcomes, and progress towards Lyme disease eradication in the state.

The impact for section 192.027 is as follows:

The “Lyme Research and Eradication Fund” funds would be required to be allocated as outlined in the bill. Therefore, DHSS will need to develop the infrastructure and documentation to accept applications, distribute funds, and provide oversight to ensure appropriate use and accounting of the funds distributed. To perform these duties, DHSS would need 5 new FTE: 1 Accountant, 1 Procurement Specialist, 1 Senior Public Health Program Specialist, 1 Lead Administrative Support Assistant, 0.5 Epidemiologist, and 0.5 Senior Research/Data Analyst.

The future estimated costs of this effort will be dependent on the total available funds and subsequent awards resulting from the “Lyme Research and Eradication Fund”. If the workload significantly increased or other legislation was enacted, additional resources would be requested through the appropriation process.

In total, this legislation would necessitate 8.0 additional DHSS FTE: 2.0 Associate Epidemiologist (1 in Jefferson City and 1 in St. Louis or KC), 1.0 Epidemiologist (either St. Louis or KC), 1.0 Senior Public Health Program Specialist, 1.0 Lead Administrative Support Assistant, 1.0 Senior Research/Data Analyst, 1.0 Accountant, and 1.0 Procurement Specialist.

Oversight does not have information to the contrary. Therefore, Oversight will reflect the estimated impact as provided by the DHSS.

Oversight notes the provisions of section 192.027 establish the Lyme Research and Eradication Fund, which consists of moneys appropriated by the General Assembly and any gifts, donations, grants, and bequests. Moneys in the fund shall be used to distribute grants to public four-year institutions of higher education, research institutions, and nonprofit organizations for Lyme disease research.

Oversight will reflect the possibility that the General Assembly could appropriate moneys to this new fund from the General Revenue Fund. For fiscal note purposes, Oversight assumes services provided under this proposal will equal income/appropriations and net to zero.

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state as MCHCP is not a health care plan under the definition of 376.1350, this legislation would not apply to MCHCP using that definition. However, section 104.801 requires MCHCP to follow any law which mandates coverage of specific health benefits, services, or providers. Since this legislation does mandate benefits, services, or providers it would apply to MCHCP.

The legislation requires coverage for specific treatment options for Lyme disease when deemed medically necessary by the treating provider. One of these requirements is for Antibiotic therapy, including oral and intravenous antibiotics, for a minimum of twenty-eight days for acute Lyme disease and ninety days or longer for posttreatment Lyme disease syndrome. MCHCP

would not currently cover for any length of time over 90 days as this is not best practice or evidence based.

MCHCP estimates that the coverage of antibiotics longer than 90 days would result in a cost unknown but somewhere between \$135,000 and \$725,000.

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

Oversight assumes coverage for specific treatment options for Lyme disease could increase health insurance costs for insurance plans. Oversight assumes the cost could be between \$135,000 to \$725,000 based on MCHCP's response. Therefore, Oversight will reflect the fiscal impact as provided by MCHCP as the following:

General Revenue (64%):	(\$86,400 to \$464,000)
Federal Funds (21%):	(\$28,350 to \$152,250)
<u>Other Funds</u> (15%):	<u>(\$20,250 to \$108,750)</u>
Total:	(\$135,000 to \$725,000)

Officials from the **Missouri Department of Transportation (MoDOT)** state §376.1223 mandates specific coverage related to diagnostic testing, treatment, and management of Lyme disease. The MoDOT-Missouri Highway Patrol medical plan expects the requirements of this bill to increase costs for the plan between \$35,000 to \$195,000 annually depending on utilization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated cost provided by MoDOT to the State Road Fund (1320).

Officials from the **Department of Commerce and Insurance (DCI)** state this proposal would require health carriers offering health benefit plans in this state that are delivered, issued for delivery, continued, or renewed on or after January 1, 2027, to provide coverage for diagnostic testing, treatment, and management of Lyme disease and posttreatment Lyme disease syndrome. It further specifies specific types of treatment that must be covered. Health carriers are prohibited from denying or limiting tests or treatment based solely on guidance that deems extended antibiotic therapy to be experimental, imposing step therapy requirements for Lyme disease treatments that differ from those required for other similar conditions, and rescinding coverage retroactively for Lyme disease claims without evidence of fraud. Finally, the proposal would require health carriers to report data about Lyme disease-related claims to the Department by July 1 each year.

The Affordable Care Act (ACA) requires all non-grandfathered individual and small group health plans to cover a core set of health care 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 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:

Although it is the state's responsibility to identify which state required benefits require defrayment, 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 defrayment even if the text of the law says otherwise.

This proposal requires, in pertinent part, that "Every health carrier or health benefit plan that offers or issues health benefit plans that are delivered, issued for delivery, continued, or renewed in the state on or after January 1, 2027, shall, at a minimum, provide coverage for diagnostic testing, treatment, and management of Lyme disease and posttreatment Lyme disease syndrome...."

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 requirements 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."

The department believes the costs of this bill can be absorbed within DIC's current appropriations. However, should the cost exceed the anticipated amount, the department would request an increase to their FTE and/or appropriations as appropriate through the budget process.

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

Oversight assumes all local political subdivisions could have a potential negative fiscal impact as a result of increased insurance obligations under this proposal. For fiscal note purposes, Oversight will reflect an unknown fiscal impact to local political subdivisions. Oversight assumes an impact of greater than \$250,000 annually.

Officials from **Northwest Missouri State University** state their fiscal impact would be minimal to none. There may be potential for grant funding if selected for research.

Officials from the **University of Central Missouri** state they anticipate an indeterminate fiscal impact.

Oversight notes since any type or negative fiscal impact is unspecified and any grants would be subject to appropriations; Oversight will reflect a \$0 or Unknown positive fiscal impact due to grants and an (Unknown) impact due to research and other associated costs to colleges and universities. Oversight assumes the overall fiscal impact to colleges and universities will not exceed the \$250,000 threshold.

Officials from the **Department of Social Services, Missouri Department of Conservation, Office of the State Treasurer, Oversight Division, and Newton County Health Department** 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local health departments, hospitals, and colleges 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 **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

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
GENERAL REVENUE			
<u>Cost</u> – DHSS (§§192.026 and 192.027) p.3-5			
Personal Service	(\$546,283)	(\$668,650)	(\$682,023)
Fringe Benefits	(\$328,621)	(\$399,619)	(\$404,998)
Equipment and Expense	(\$203,782)	(\$101,863)	(\$103,901)
<u>Total Costs</u> – DHSS	(\$1,078,686)	(\$1,170,132)	(\$1,190,922)
FTE Changes - DHSS	8 FTE	8 FTE	8 FTE
<u>Cost</u> – MCHCP (§§192.020, 192.026-192.028 & 376.1223) Medical treatment of Lyme disease p.5-6	(\$86,400 to \$464,000)	(\$86,400 to \$464,000)	(\$86,400 to \$464,000)
<u>Transfer Out</u> – (§192.027) To Lyme Research and Eradication Fund p.5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed (\$1,165,086 to \$1,542,686)	Could exceed (\$1,256,532 to \$1,634,132)	Could exceed (\$1,277,322 to \$1,654,922)
Estimated Net FTE Changes on General Revenue	8 FTE	8 FTE	8 FTE

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
OTHER STATE FUNDS			
<u>Cost</u> – MCHCP (§§192.020, 192.026-192.028 & 376.1223) Medical treatment of Lyme disease p.5-6	(\$20,250 to \$108,750)	(\$20,250 to \$108,750)	(\$20,250 to \$108,750)
ESTIMATED NET EFFECT TO OTHER FUNDS	<u>(\$20,250 to \$108,750)</u>	<u>(\$20,250 to \$108,750)</u>	<u>(\$20,250 to \$108,750)</u>
STATE ROAD FUND (1320)			
<u>Cost</u> – MoDOT (§376.1223) Medical treatment of Lyme disease p.6	(\$35,000 to \$195,000)	(\$35,000 to \$195,000)	(\$35,000 to \$195,000)
ESTIMATED NET EFFECT TO THE STATE ROAD FUND (1320)	<u>(\$35,000 to \$195,000)</u>	<u>(\$35,000 to \$195,000)</u>	<u>(\$35,000 to \$195,000)</u>
LYME RESEARCH AND ERADICATION FUND			
<u>Revenue Gain</u> – (§192.027) Gifts, grants, donations p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> – (§192.027) From General Revenue p.5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – DHSS (§192.027) Research grants p.5	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LYME RESEARCH AND ERADICATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<u>Cost</u> – MCHCP (§§192.020, 192.026-192.028 & 376.1223) Medical treatment of Lyme disease p.5-6	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)	(\$28,350 to \$152,250)
COLLEGES AND UNIVERSITIES			
Transfer In – (§192.027) Research grants p.5&8	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
Cost - Local Political Subdivisions (§§192.020, 192.026-192.028 & 376.1223) Increased insurance obligations p.8	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act establishes the "Missouri Lyme Disease Eradication Act". First, Lyme disease is added to the list of diseases that must be reported to the Department of Health and Senior Services by health care providers, laboratories, and local health departments. The Department shall compile an annual report on the incidence and prevalence of Lyme disease in Missouri, as described in

the act. The Department shall also collaborate with public four-year institutions of higher education to integrate Lyme disease surveillance data into existing tick-borne disease monitoring programs.

Next, this act creates the "Lyme Research and Eradication Fund" in the state treasury. The Department shall use the moneys in the fund to distribute grants for the purposes of developing treatments, studying novel therapies, and researching eradication strategies. Grants shall be prioritized as described in the act, with no less than 20% of funds utilized to support eradication efforts in rural counties.

Under this act, a health care provider shall not be subject to any discipline, suspension, or revocation of license or denial of a license renewal, solely for prescribing, administering, or dispensing treatments or therapies for Lyme disease or Post-Treatment Lyme Disease Syndrome (PTLDS), including extended antibiotic therapy or similar treatment deemed medically necessary.

Finally, this act requires every health carrier or health benefit plan offering or issuing health benefit plans in the state on or after January 1, 2027, to provide coverage for diagnostic testing, treatment, and management of Lyme disease and PTLDS for insured persons who receive a diagnosis from a licensed health care provider, including testing, antibiotic therapy, supportive therapies, and holistic or herbal supplements and therapies. Coverage shall be subject to the same deductibles, coinsurance, and out-of-pocket maximums as apply to other services covered under the plan for nonpreventative services. The carrier or plan shall not deny or limit coverage for Lyme disease tests or treatments based solely on guidelines that deem extended antibiotic therapy to be experimental, impose step therapy or prior authorization requirements described in the act, or rescind coverage retroactively for related claims without evidence of fraud. By July 1 each year, each carrier and plan shall report certain Lyme disease-related data to the Director of the Department of Commerce and Insurance, who shall share the data with the General Assembly and the Department of Health and Senior Services to inform research priorities.

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

Joint Committee on Administrative Rules

Missouri Consolidated Health Care Plan

Missouri Department of Conservation

Missouri Department of Transportation

Office of the Secretary of State

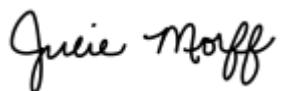
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January 20, 2026

Office of the State Treasurer
Oversight Division
Newton County Health Department
Northwest Missouri State University
University Of Central Missouri



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January 20, 2026



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January 20, 2026