

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5297S.01I
Bill No.: SB 984
Subject: Pharmacy
Type: Original
Date: January 20, 2026

Bill Summary: This proposal modifies provisions relating to pharmacy benefits managers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	Could exceed (\$118,364)	Could exceed (\$126,052)	Could exceed (\$128,246)
Total Estimated Net Effect on General Revenue	Could exceed (\$118,364)	Could exceed (\$126,052)	Could exceed (\$128,246)

*Estimated costs are for 1 FTE for DHSS to implement a critical access care pharmacy program.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Insurance Dedicated Fund (1566)*	(\$653,472 to \$903,472)	(\$719,152 to \$969,152)	(\$727,555 to \$977,555)
Total Estimated Net Effect on Other State Funds	(\$653,472 to \$903,472)	(\$719,152 to \$969,152)	(\$727,555 to \$977,555)

*Estimated costs include contracted consultations with a pharmacist for the completion of market conduct investigations or examinations and 3 FTE for DCI.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	1 FTE	1 FTE	1 FTE
Insurance Dedicated Fund (1566)	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	4 FTE	4 FTE	4 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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§338.600, 376.387, and 376.394 – Pharmacy Benefit Managers

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal would amend the pharmacy practice act to address audits of pharmacy records by managed care companies, insurance companies, or pharmacy benefit managers.

The proposal also makes changes to insurance laws related to pharmacy benefit managers (PBMs). These changes include broadening the definition of a “covered person” and allowing the Department to audit information provided by a PBM. It outlines requirements for information that must be included in claims data submitted by a pharmacy for payment by a PBM. The proposal requires PBMs to provide the Department and plan sponsors with documentation of benefit designs that encourage or require enrollees to fill prescriptions at the PBM’s affiliates. It requires PBMs with affiliates to disclose specified information to the plan sponsor and to the Department. It specifies that PBMs owe a fiduciary duty to each plan sponsor. Finally, the proposal states that the Department may “audit” a PBM to ensure compliance.

This proposal does not include a new benefit mandate; however, it would impose additional regulatory requirements on the Department, which will likely require expertise that the Department currently lacks. Additionally, if implemented, this proposal may lead to increased consumer and provider complaints.

DCI will need to contract with firms with the necessary knowledge and expertise to determine compliance with the new provisions. In addition, DCI will need 1 FTE Examiner-in-charge and 2 FTE Insurance Examiners due to the number and complexity of investigations/examinations needed to ensure compliance. Contracted consultation with a pharmacist for the completion of market conduct investigations or examinations are assumed to be an annual cost of \$250,000 to \$500,000 using an assumed hourly rate of \$300-\$500.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated cost as provided by the DCI to the Insurance Dedicated Fund (1566).

§376.394

Officials from the **Department of Health and Senior Services (DHSS)** assume section 376.394 of the proposed legislation requires the Department of Health and Senior Services (DHSS) to establish a critical access care pharmacy program to ensure sustainability of critical access pharmacies in Missouri. The fiscal impact of the proposed legislation ranges from \$118,320 and one additional FTE to an unknown fiscal impact, as the bill does not specify what support should be provided to ensure pharmacy sustainability and program eligibility requirements.

At minimum, the proposed legislation would require one additional FTE, (Public Health Program Specialist - \$67,294 annually as of 12/2025), within the Department of Health and Senior Services to establish and implement the program.

The additional costs include items for the position to carry out their required duties, such as workspace and equipment, and for travel required to carry out the assigned duties. The duties for this position include, but are not limited to, the following:

- Conduct research and analysis on Missouri pharmacies and existing critical access care pharmacy programs in other states.
- Develop designation criteria for identifying a pharmacy as a critical access care pharmacy.
- Create a strategic sustainability plan, identifying the needs of critical access care pharmacies.
- Write and promulgate program rules.
- Administer support to pharmacies identified as a critical access pharmacy depending on funding availability.

If the program would require awarding funds to eligible critical access care pharmacies to ensure sustainability, additional general revenue would be required; however, the amount is unknown at this time.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated cost as provided by the DHSS to General Revenue as Could exceed the amount provided.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
Cost – DHSS (<u>§376.394</u>) p.3-4	Could exceed	Could exceed	Could exceed
Personal Service	(\$56,078)	(\$68,640)	(\$70,013)
Fringe Benefits	(\$36,168)	(\$43,943)	(\$44,495)
Equipment and Expense	(\$26,118)	(\$13,469)	(\$13,738)
<u>Total Costs – DHSS</u>	<u>(\$118,364)</u>	<u>(\$126,052)</u>	<u>(\$128,246)</u>
FTE Change – DHSS	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed <u>(\$118,364)</u>	Could exceed <u>(\$126,052)</u>	Could exceed <u>(\$128,246)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
INSURANCE DEDICATED FUND (1566)			
Cost – DCI (<u>§§338.600 - 376.394</u>) p.3			
Personal Service	(\$224,928)	(\$275,312)	(\$280,818)
Fringe Benefits	(\$131,306)	(\$159,738)	(\$161,953)
Equipment and Expense	(\$47,238)	(\$34,102)	(\$34,784)
<u>Total Costs – DCI</u>	<u>(\$403,472)</u>	<u>(\$469,152)</u>	<u>(\$477,555)</u>
FTE Change – DCI			
Cost – DCI (<u>§§338.600 - 376.394</u>) Contracted consultation p.3	(\$250,000 to <u>\$500,000)</u>	(\$250,000 to <u>\$500,000)</u>	(\$250,000 to <u>\$500,000)</u>
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND (1566)	(\$653,472 to <u>\$903,472)</u>	(\$719,152 to <u>\$969,152)</u>	(\$727,555 to <u>\$977,555)</u>
Estimated Net FTE Change on the Insurance Dedicated Fund (1566)	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act adds definitions for the terms "audit" and "entity" for the purposes of audits of licensed pharmacies. Current law requires a one week notice for any on-site audit. This act increases such notice to fourteen days and requires the notice to specify specific prescriptions to be audited. A pharmacy shall have the right to submit amended claims within thirty days of the discovery of an error. Audits shall be limited to twenty-five prescriptions that are randomly selected, and the act provides that recoupment shall only occur following the correction of a claim, as described in the act. No audit shall occur during the first five business days, rather than the first three, of any month. (Section 338.600)

This act modifies the definition of "covered person" and adds definitions for "pharmacy benefits manager rebate aggregator", "pharmacy claims data", and "rebate" for the purposes of regulating costs charged to covered persons for prescription drugs. Additionally, PBMs are prohibited from including a provision in a contract that requires payment for a prescription drug that exceeds the lesser of either the copayment amount or the amount the person would pay if they paid in cash. This act provides that the price shall also not exceed the contracted rate the pharmacy would be reimbursed for the drug. (Section 376.387)

This act modifies several definitions and adds new definitions for the purpose of regulating contracts between pharmacy benefits managers and pharmacies. The act also adds several provisions relating to contracts between PBMs and pharmacies, including providing plan sponsors with pharmacy claims data, submitting documentation of any benefit design that encourages or requires the use of affiliated pharmacies, a PBM's fiduciary duty to a plan sponsor, and authorizing the Department of Commerce and Insurance to conduct audits of PBMs. (Section 376.388)

Finally, this act requires the Department of Health and Senior Services to establish a critical access care pharmacy program to ensure the sustainability of critical access care pharmacies in the state. (Section 376.394)

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

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SOURCES OF INFORMATION

Department of Commerce and Insurance
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