

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0041S.01I
Bill No.: SB 406
Subject: Commerce and Insurance, Department of Commerce and Insurance - Health;
Medical Procedures and Personnel; Health Care; Health, Public; Federal - State
Relations
Type: Original
Date: April 7, 2025

Bill Summary: This proposal enacts provisions relating to insurance coverage of genetic screenings for cancer risk.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund	(Could exceed \$113,000)	(Less than \$63,000)	(Less than \$63,000)
Total Estimated Net Effect on General Revenue	(Could exceed \$113,000)	(Less than \$63,000)	(Less than \$63,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Other State	(Less than \$22,000)	(Less than \$22,000)	(Less than \$22,000)
State Road Fund (0320)	(\$100,000)	(\$100,000)	(\$100,000)
Conservation Commission Fund (0609)*	(Less than \$250,000)	(Less than \$250,000)	(Less than \$250,000)
Total Estimated Net Effect on Other State Funds	(Less than \$372,000)	(Less than \$372,000)	(Less than \$372,000)

* Unknown number of members utilizing new health benefit coverage.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Federal Funds	(Less than \$15,000)	(Less than \$15,000)	(Less than \$15,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Less than \$15,000)	(Less than \$15,000)	(Less than \$15,000)

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 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

* Unknown number of members utilizing new health benefit coverage.

FISCAL ANALYSIS

ASSUMPTION

§376.1260 – Heath Benefit Plan Coverage

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** assume this proposal enacts provisions relating to insurance coverage of genetic screenings for cancer risk.

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 potential fiscal impact of SB 406 is less than \$100,000.

MCHCP currently covers this testing in most instances. There may be a few instances that this bill would mandate coverage that would not be covered today. However, based on the low number of claims that we currently receive and the low-cost impact, we do not believe the increase to be more than \$100,000.

Oversight will reflect MCHCP's estimated cost of less than \$100,000 annual cost to the General Revenue Fund, Other State Funds and Federal Funds.

General Revenue	Less than \$63,000	63%
Federal Funds	Less than \$22,000	22%
Other Funds	Less than \$15,000	15%
Total	Less than \$100,000	100%

*MCHCP Fund Split Percentages provided by Budget & Planning

Officials from the **Missouri Department of Transportation (MoDOT)** state the MoDOT/MSHP health care plan estimates these provisions will cost \$100,000 annually from the State Road Fund based on unit costs and the current cost share at a minimal amount. This could vary depending on increased 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 (0320).

Officials from the **Missouri Department of Conservation (MDC)** assume the proposal have an unknown fiscal impact of less than \$250,000.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated cost provided by MDC to the Conservation Commission Fund (0690) as less than \$250,000.

Oversight assumes this provision could have a fiscal to other government health plans. Since it is unknown if members of the health benefit plan will utilize the new coverage, **Oversight** will reflect a \$0 to Unknown fiscal impact to local political subdivisions.

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:

Although 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 "Any health benefit plan delivered, issued for delivery, continued, or renewed in this state on or after January 1, 2026, shall provide coverage for prostheses and expenses for scalp hair prostheses worn for hair loss suffered as a result of cancer treatment." 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.

Oversight notes, 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 can easily assume 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. Oversight will reflect a onetime cost of “Could Exceed \$50,000” to the General Revenue Fund in FY 2026.

Officials from the **Department of Public Safety - Missouri Highway Patrol** defer to the MoDOT/MHP Health Care Board for response relating to the fiscal impact of this proposal on their organization.

Officials from the **Department of Health and Senior Services** and the **Department of Social Services** 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.

STATE ROAD FUND			
<u>Cost – MoDOT</u> Genetic Screening §376.1260 p.4	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>
ESTIMATED NET EFFECT TO THE STATE ROAD FUND (0320)	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
CONSERVATION COMMISSION FUND			
<u>Cost – MDC</u> Genetic Screening §376.1260 p. 4	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
ESTIMATED NET EFFECT TO THE CONSERVATION COMMISSION FUND (0609)	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
FEDERAL FUNDS			
<u>Cost – MCHCP</u> Genetic Screening §376.1260 p. 3	<u>(Less than \$15,000)</u>	<u>(Less than \$15,000)</u>	<u>(Less than \$15,000)</u>
ESTIMATED NET EFFECT TO FEDERAL FUNDS	<u>(Less than \$15,000)</u>	<u>(Less than \$15,000)</u>	<u>(Less than \$15,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS			
*Cost – Local Political Subdivisions Genetic Screening §376.1260 p. 4	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)	<u>\$0 to</u> (Unknown)

* Unknown number of members utilizing new health benefit coverage.

FISCAL IMPACT – Small Business

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


FISCAL DESCRIPTION

This act requires health benefit plans to provide coverage for genetic testing and genetic counseling, as defined in the act, of individuals who are at increased risk of potentially harmful mutations to the BRCA gene due to a personal or family history of certain cancers. The act prohibits insurers from using these tests and counseling in underwriting decisions such as calculating premiums or determining coverage, and prohibits insurers from imposing cost-sharing with regard to the required coverage.

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 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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April 7, 2025



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April 7, 2025