

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2080H.011  
Bill No.: HB 1409  
Subject: Health Care; Insurance - Health  
Type: Original  
Date: April 19, 2021

---

Bill Summary: This proposal establishes provisions relating to insurance coverage for insulin drugs and epinephrine auto-injectors.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
General Revenue Fund	(Less than \$18,360)	(Less than \$18,360)	(Less than \$18,360)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less than \$18,540)</b>	<b>(Less than \$18,540)</b>	<b>(Less than \$18,540)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Other State Funds	(Less than \$4,380)	(Less than \$4,380)	(Less than \$4,380)
State Road Fund	(\$200,000)	(\$200,000)	(\$200,000)
Conservation Commission Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Could be greater than \$204,380)</b>	<b>(Could be greater than \$204,380)</b>	<b>(Could be greater than \$204,380)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Federal Funds	(Less than \$7,260)	(Less than \$7,260)	(Less than \$7,260)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Less than \$7,260)</b>	<b>(Less than \$7,260)</b>	<b>(Less than \$7,260)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</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 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Consolidated Health Care Plan (MCHCP)** state this proposal establishes provisions relating to insurance coverage for insulin drugs and epinephrine auto-injectors. MCHCP assumes for PPO plan members, MCHCP covers a 31-day supply of diabetic medications including insulin with a \$5 copayment for generic medications and \$20 copayment for preferred medications. Members enrolled in a Health Savings Account (HSA) plan are required to pay 5 percent coinsurance for generic medications and 10 percent coinsurance for preferred medications, after satisfying the applicable deductible (\$1,650 for individuals; \$3,300 for families). Once the applicable deductible has been met, the maximum copayment is \$25 for generic medications and \$50 for preferred medications.

This legislation would impact those HSA members that had not yet met the deductible. According to an analysis conducted by Express Scripts, MCHCP's contracted pharmacy benefit manager, the average out-of-pocket cost for members enrolled in an HSA plan for non-intravenous insulin medications from January 1, 2018 through June 30, 2019 was \$173 per claim on 568 total claims. This is \$73 more than the out-of-pocket cost allowed by this legislation. The estimated impact of this legislation is unknown but less than \$30,000.

The portion of this legislation regarding epinephrine auto-injectors is not expected to create a fiscal impact.

**Oversight** notes that the MCHCP has stated the proposal would have a fiscal impact of less than \$30,000. Oversight does not have any information to the contrary. Therefore, Oversight will use Missouri Consolidated Health Care Plan's estimated cost split of: General Revenue Fund (61.2%) (Less than \$18,360), Federal Funds (24.2%) (Less than \$7,260) and Other State Funds (14.6%) (Less than \$4,380).

Officials from the **Missouri Department of Transportation (MODOT)** state this legislation would put a cap on the amount an insured is required to pay for insulin. The remainder of the cost would be required to be paid for by the insurer. As a self-funded medical plan, MoDOT/MSHP would be required to cover these costs. The cost would increase annually with the increase in prescription drug costs, and this would contribute to an increase in health insurance premiums. Based on current utilization of insulin in the health plan, MoDOT expects a first-year negative fiscal impact of \$200,000 from the State Road Fund.

**Oversight** notes that the MODOT has stated the proposal would have a fiscal impact \$200,000 per fiscal year. Oversight does not have any information to the contrary. Therefore, Oversight will use MoDOT's estimated cost \$200,000 to the State Road Fund (320).

**Oversight** assumes this legislation could affect other insurance plans such as the Missouri Department of Conservation and local political subdivisions. Oversight will reflect a \$0 or Unknown cost to the Conservation Commission Fund (0609) and Local Political Subdivisions.

Officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Social Services** and the **Missouri Department of Conservation** 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 2022 (10 Mo.)	FY 2023	FY 2024
<b>GENERAL REVENUE FUND</b>			
<u>Cost - MCHCP HSA plan deductible</u>	<u>(Less than \$18,360)</u>	<u>(Less than \$18,360)</u>	<u>(Less than \$18,360)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(Less than \$18,360)</u></b>	<b><u>(Less than \$18,360)</u></b>	<b><u>(Less than \$18,360)</u></b>
<b>OTHER STATE FUNDS</b>			
<u>Cost - MCHCP HSA plan deductible</u>	<u>(Less than \$4,380)</u>	<u>(Less than \$4,380)</u>	<u>(Less than \$4,380)</u>
<b>ESTIMATED NET EFFECT TO OTHER STATE FUNDS</b>	<b><u>(Less than \$4,380)</u></b>	<b><u>(Less than \$4,380)</u></b>	<b><u>(Less than \$4,380)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Cost - MCHCP HSA plan deductible</u>	<u>(Less than \$7,260)</u>	<u>(Less than \$7,260)</u>	<u>(Less than \$7,260)</u>
<b>ESTIMATED NET EFFECT TO FEDERAL FUNDS</b>	<b><u>(Less than \$7,260)</u></b>	<b><u>(Less than \$7,260)</u></b>	<b><u>(Less than \$7,260)</u></b>
<b>STATE ROAD FUND (0320)</b>			
<u>Cost - MoDOT Epinephrine auto-</u>	<u>(\$200,000)</u>	<u>(\$200,000)</u>	<u>(\$200,000)</u>

injector coverage			
<b>ESTIMATED NET EFFECT TO THE STATE ROAD FUND (0320)</b>	<b><u>(\$200,000)</u></b>	<b><u>(\$200,000)</u></b>	<b><u>(\$200,000)</u></b>
<b>CONSERVATION COMMISSION FUND (0609)</b>			
<u>Cost - MDC Epinephrine auto-injector coverage</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE CONSERVATION COMMISSION FUND (0609)</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	<u>FY 2022 (10 Mo.)</u>	<u>FY 2023</u>	<u>FY 2024</u>
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost - Local Political Subdivisions Epinephrine auto-injector coverage</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

FISCAL IMPACT – Small Business

A direct fiscal impact to small business medical services and equipment providers could be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires insurers that provide coverage for prescription insulin drugs to limit the total amount that an insured is required to pay for a 30 day supply of covered prescription insulin drugs to an amount not to exceed \$100 regardless of the quantity or type of covered prescription insulin drug used to fill the insured's prescription. The \$100 limit can increase yearly based on a percentage equal to the percentage change from the preceding year in the medical care component of the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor. The Director of the Department of Commerce and Insurance may establish all necessary rules and regulations for the administration of this section. The Department of Commerce and Insurance in conjunction with the Department of Health and Senior Services and the Department of Social Services shall make a report available to the public of findings from each department as specified in the bill by October 31, 2021.

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

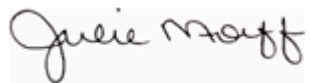
Department of Commerce and Insurance  
Department of Health and Senior Services  
Department of Social Services  
Missouri Consolidated Health Care Plan  
Department of Public Safety  
    Missouri Highway Patrol  
Department of Transportation  
Missouri Department of Conservation

L.R. No. 2080H.01I

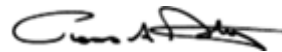
Bill No. HB 1409

Page 8 of 8

April 19, 2021

A handwritten signature in cursive script that reads "Julie Morff".

Julie Morff  
Director  
April 19, 2021

A handwritten signature in cursive script that reads "Ross Strobe".

Ross Strobe  
Assistant Director  
April 19, 2021