

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4514H.011
Bill No.: HB 1943
Subject: Insurance - Health; Department of Health and Senior Services; Department of
Commerce and Insurance
Type: Original
Date: April 8, 2024

Bill Summary: This proposal enacts provisions relating to payment for health care services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Social Services**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Missouri Consolidated Health Care Plan** and **Kansas City** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight notes Subsection 191.2299.8 gives authority to Department of Health and Senior Services to imposed penalties on any licensee violating the provisions of this proposal. Oversight will reflect a positive unknown revenue to local school districts as result of the penalties provided in this proposal.

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 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL SCHOOL DISTRICTS			
<u>Revenue – Local School Districts</u> <u>Penalty Provisions</u>	Unknown	Unknown	Unknown
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT – Small Business

Certain small health care businesses could be impacted by this proposal.

FISCAL DESCRIPTION

This bill creates the "Honest Billing Act", which requires off campus outpatient departments of medical facilities, as defined in the bill to apply for, obtain, and use a national provider identifier ("NPI") that is distinct from the NPI used by the main campus of the facility. This unique NPI shall be used on all claims submitted to health carriers on or after January 1, 2025. No facility, or entity on behalf of a facility, can submit a claim for a health care service provided at an off-campus outpatient department of a facility, or hold an enrollee liable for the service, unless the service is billed using the unique NPI and on specified forms.

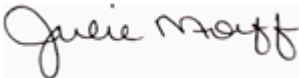
A Health carrier shall not be required to reimburse claims that are not billed in accordance with this requirement. Facilities, and entities acting on behalf of facilities, cannot hold enrollees liable for health care services that are not billed as provided in the bill. Any violation of this requirement is a violation of the Missouri Merchandising Practices Act subject to enforcement by the Attorney General.

A facility applying for a license or license renewal by the state must demonstrate it has obtained one or more NPIs as a condition of receiving licensure, and shall use its unique NPI on every claim for payment in the manner required. The bill specifies penalties that may be imposed by the Department of Health and Senior Services after an administrative hearing as provided by law, and the Department of Commerce and Insurance has the authority to refer violations of the these provisions to the Department of Health and Senior Services. The Attorney General also has the authority to enforce the provisions of the bill.


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 Department of Conservation
Missouri Department of Transportation
Office of the Secretary of State
Missouri Consolidated Health Care Plan
Office of the Secretary of State
Joint Committee on Administrative Rules
Kansas City



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April 8, 2024



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April 8, 2024