

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5491H.011
 Bill No.: HB 2702
 Subject: Medicaid/MO HealthNet; Health Care; Drugs and Controlled Substances; Public Health
 Type: Original
 Date: March 11, 2024

Bill Summary: This proposal provides for MO HealthNet coverage of anti-obesity medications.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

* Oversight assumes the negative fiscal impact will exceed \$250,000 annually.

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

Numbers within parentheses: () indicate costs or losses.

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

* Oversight assumes the negative fiscal impact on federal funds will exceed \$250,000 annually and net to zero.

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	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§208.152 - MO HealthNet coverage of anti-obesity medications

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state this legislation applies to MO HealthNet however, the fiscal impact of this bill is unknown.

There are several limitations impacting the Department's ability to accurately estimate the fiscal note of this bill, including:

- It is unknown how many participants would begin utilizing an anti-obesity agent
- It is unknown how many participants may switch using a GLP-1 for diabetes to a GLP-1 for anti-obesity
- It is unknown how many participants would continue to utilize an anti-obesity agent long term
- It is unknown what rebates may be negotiated with the manufacturers of anti-obesity agents

The current bill is not needed to allow the Department to begin covering anti-obesity agents. The Department has the authority necessary to cover anti-obesity agents. Requiring the Department to cover anti-obesity agents may reduce the Department's ability to negotiate with manufacturers and make decisions necessary for the long term sustainability of the program.

FY25 Total: \$0 to Unknown (\$0 to Unknown – GR; \$0 to Unknown – Federal)

FY26 Total: \$0 to Unknown (\$0 to Unknown – GR; \$0 to Unknown – Federal)

FY27 Total: \$0 to Unknown (\$0 to Unknown – GR; \$0 to Unknown – Federal)

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DSS, MHD. Oversight assumes the unknown fiscal impact of this proposal will exceed \$250,000 annually in both General Revenue and Federal funds.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Costs</u> – DSS, MHD (§208.152) Required coverage of anti-obesity agents p. 3	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown)	(Unknown)	(Unknown)
FEDERAL FUNDS			
<u>Income</u> – DSS, MHD (§208.152) Required coverage of anti-obesity agents p. 3	Unknown	Unknown	Unknown
<u>Costs</u> – DSS, MHD (§208.152) Required coverage of anti-obesity agents p. 3	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small business pharmacies may see an increase in the number of prescriptions for anti-obesity agents.

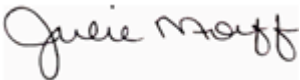
FISCAL DESCRIPTION

This bill adds medically necessary anti-obesity medications to the list of covered services for which MO HealthNet payments will be made on behalf of all MO HealthNet participants, regardless of age. (§208.152)


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 Social Services



Julie Morff
Director
March 11, 2024



Ross Strobe
Assistant Director
March 11, 2024