



Governmental Services Group

The Missouri General Assembly presses on towards the end of February with some marked differences between last session and the 2025 session. For one thing, bills are moving through the Senate and debated on rather than being filibustered. Last night SB 4, a utilities bill including rate increases for investor-owned utilities, was supposed to be something the Senate agreed on. The bill was ultimately laid over when Sen. Mosley argued that she was not privy to the agreements made and the utilities groups had not visited her. It can still be expected that a deal is close, potentially with a deal coming to fruition next week based on consumer protection concerns that Sen. McCreery and others felt had been addressed in an amendment. Assuming it is perfected by the Senate next week, this would be the second major bill agreed upon by the Missouri Senate.

Earlier this week, Senator Hough's SB 10, which ends sunsets on design-build construction within political subdivisions, as well as ending the sunset on Film Tax Credits, Entertainment Industry Jobs tax credits, and the biggest topic of controversy: Ending the sunset on the Federal Reimbursement Allowance tax collected on healthcare providers. This would remove the political football of the past five years in perpetuity. You may recall years ago the forced special session when the FRA was taken hostage and did not pass the regular session (my wife does, the special session was the week of our wedding). The bill was perfected late Monday and if it can get through the Senate would provide a great deal of financial security to the state as many of these sunsets being repealed are programs that offer the state a major return on investment – the FRA being upwards of \$3 billion in revenue coming from Missouri healthcare providers. Assuredly, something will slow the Senate down, but right now it is a much better functioning body than the Freedom Caucus dominated sessions we have seen in the past few years.

Meanwhile, mirroring the federal shift in policy, Governor Mike Kehoe signed an executive order Tuesday directing all Missouri state agencies to eliminate diversity, equity, and inclusion initiatives. The order bans agencies from using state funding for diversity training initiatives and from incorporating DEI into hiring and contracting practices. The House approved Rep. Baker's bill putting this into statute as well this week.

Also echoing federal politics, Sen. Carter's HJR 43 would require able-bodied Medicaid participants ages 19 to 49 to prove they are working to receive health coverage. Participants would need to complete 80 hours a month of work, education, job search, childcare or volunteering. In Washington, Congress is eyeing work requirements for Medicaid, as well as deep cuts to the program through the Trump Administration. Medicaid expansion in the state of Missouri you may recall was a major fight after the public passed an initiative petition, which the legislature did not fund. This went to the Missouri Supreme Court, and the scale of the state Medicaid budget in Missouri being put in limbo based on enrollees that would fall under this

policy change is something to watch, with many budget hawks raising concerns. The HJR would still require a vote of the people before being enshrined in the state constitution.

Lastly, as the budget process moves along, we are seeing multiple bills that target the state income tax, with multiple proposals aiming at a statewide sales tax as the replacement for the hit to general revenue funding. State income tax on individuals accounts for roughly 65% of GR. As a reminder this, being a priority of Governor Kehoe, is expected to be a major conversation in how to approach a cut, as previously in place tax cuts are still affecting the state's bottom line. It will make for a very interesting appropriations process. The last day to file bills will be next Friday, February 28th. We will continue to keep you informed of the latest in Jefferson City.

Modifies MO HealthNet Coverage of Hearing Instruments

SB 317 (Black) Currently, reimbursable MO HealthNet services include hearing aids for eligible needy children, pregnant women, and blind persons. This act mandates MO HealthNet coverage of medically necessary cochlear implants and hearing instruments for all eligible participants.

Provisions to be added to SB 317 include: Expedited Partner Therapy Process (treating partners for STD's without diagnosis); Prenatal blood testing; adding new vaccines to list of vaccines Pharmacies can administer; raising the amount of pseudoephedrine that can be purchased; changes to medications administered to residents in long term care facilities; and changes to medications administered to prisoners.

Those testifying in support: Director or the Center for Hearing and Speech, Empower Missouri, MO Speech Language Association, MO Ambulance Association, Reach Foundation, Missouri State Medical Association.

Those testifying in opposition: No one testified in opposition.

Modifies Provisions Relating to MO HealthNet

SJR 43 (Carter) If approved by the voters, this constitutional amendment requires, subject to approval of a waiver, able-bodied adult MO HealthNet participants, ages 19 to 49, to participate in work and community engagement requirements. Participants shall complete at least 80 hours a month of any combination of specified work, education, job search, childcare, and volunteer services. The Department of Social Services shall provide reasonable accommodations for individuals with disabilities who are not otherwise exempt from the work and community engagement requirements under this amendment to ensure that the participants are able to comply with the requirements, including exemptions, modifications of hours, and the provision of necessary support services.

MO HealthNet participants who shall not be required to comply with the work and community engagement requirements include: (1) those under 18 years of age or 50 years of age or older; (2) those who are medically frail, as defined in the amendment, including those with certain

disabilities; (3) those who are pregnant or caring for a child under one year of age; (4) those who are primary caregivers of a dependent child under the age of six or a dependent adult; and (5) those who are also participants of Temporary Assistance for Needy Families or the Supplemental Nutrition Assistance Program and are exempt from work requirements under those programs.

The Department may permit further exemptions in areas of high unemployment, limited economies or educational opportunities, or lack of public transportation, or for good cause, as defined in this amendment.

Those testifying in support: No one testified in support of the bill.

Those testifying in opposition: American Cancer Society, Empower Missouri, Missouri Budget Project, and Catholic Charities.

Bills Voted Out of Committee This Week:

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HB 344 (Keithly) was reported out of House Commerce DO PASS this week as a committee substitute. This bill specifies that the state preempts and supersedes all local laws, ordinances, orders, rules, or regulations enacted by a county, municipality, or other political subdivision regulating the sale of tobacco products, alternative nicotine products, or vapor products.

The link to the committee substitute:

<https://documents.house.mo.gov/billtracking/bills251/hlrbillspdf/1238H.02C.pdf>