



## Governmental Services Group

For the 102<sup>nd</sup> Missouri General Assembly, Wednesday was a strong indication for how the rest of session will play out if rifts do not close in the majority caucus. In short, the behind the scenes fights within the Republican majority are now fully public. It started when a major appropriation hearing was conducted to renew the federal reimbursement allowance (FRA) which sunsets in September 2024. The FRA is a voluntary tax system for hospitals that contribute to a pool which is paired with matching federal dollars to bolster the state healthcare infrastructure, namely Missouri's Medicaid program (MO HealthNet). Any lapse in this program would create a roughly \$4 billion hole in state revenue. In 2021, it took a special session in June to pass the FRA due to infighting, after 16 previous non-controversial renewals.

Missouri Right to Life and other groups have attempted to use a must-pass bill to enact additional pro-life language that would decommit any state funding towards Planned Parenthood but which could put the program out of compliance with federal guidelines from CMS. Over the past few years, MRL has created a tough situation by pitting Republican members against one another by endorsing some but not other Republicans in primaries. With no abortion procedures in the state of Missouri since the passage of the Heartbeat Bill and the subsequent Supreme Court ruling striking down *Roe v. Wade*, many pro-life Republicans are at odds with MRL's tactics of latching onto an important and unrelated appropriations bill. This in no way encompasses the complex dynamics but the split between MRL-backed Senators, some running for higher office, and Republicans wanting to get this must-pass bill through the legislature has boiled over and threatens to create an unproductive session.

The hearing was highly contentious, as numerous providers testified in support, and Republican Senators questioned the motives of the MRL lobbyist testifying in lone opposition. Meanwhile, the question of whether MRL would support an FRA without their desired language in it, the bill as currently written, if the legislature would send their pro-life proposal to the Governor was not answered. The bill was voted do pass out of Senate Appropriations this morning and will head to the floor in short order. The Freedom Caucus pointed to this without pro-life language as more inaction by the majority Republicans.

Floor action also hit a new low. The Senate adjourned Wednesday afternoon shortly after going into session as Sen. O'Laughlin saw a vote to push another priority, IP (initiative petition) reform, by the Freedom Caucus putting the Senate at an impasse. IP Reform has suddenly become must-pass in the eyes of some because of a potential pro-choice IP effort recently announced. Thursday debate on the floor devolved into a nearly 10-hour filibuster of Governor Parson's latest appointments while the Freedom Caucus continued to push IP reform through by skipping the committee process through a joint resolution and special procedure. IP reform is another example where the Freedom Caucus is forcing fellow Republicans to take very tough votes in the wake of an election year. The motion to bring IP reform to a floor vote failed 7 Y 25

N. Pro Tem Rowden called the holding of all business over IP changes to be “the most disappointed” he has ever been with the Missouri Senate. No deal has been reached as of Friday.

We expect things to continue to be ugly for the time being without some sort of resolution, and we will continue to inform you of the latest in Jefferson City.

### **Reimbursement Allowance**

SB 748, sponsored by Senator Hough, removes the expiration date for the Ground Ambulance, Nursing Facility, Medicaid Managed Care Organization, Hospital, Pharmacy, and Intermediate Care Facility for the Intellectually Disabled federal reimbursement allowances. This bill had a hearing in the Senate Appropriations Committee this week.

Testifying in support of the bill were Associated Industries of Missouri, Missouri Retailers Association, Missouri Healthcare Association, Missouri Association of Obstetricians, Missouri Anesthesiologists, BJC, Cox Health, Mercy Hospital, Ambulance District Association, Mosaic, Senior Living Association, SSM Health, Missouri Association of Rural Health Providers, Missouri Chamber of Commerce, and Missouri Budget Project.

SB 748 was voted out of the Senate Appropriations Committee DO PASS.

### **Prior Authorization**

HB 1976, sponsored by Representative Stinnett, creates provisions relating to prior authorization of health care services. This bill provides that a health carrier or utilization review entity cannot require health care providers to obtain prior authorization for health care services, except under certain circumstances. This bill had a hearing in the House Healthcare Reform Committee this week.

In support of the bill was MHA, Cox Health, MSMA, University Health KC, BJC, MU Healthcare, Missouri Nurses Association, Missouri Association of Rural Healthcare Providers, Jordan Bridge Hospital, Quest Diagnostics, Mosaic Lifecare, and several physicians.

In opposition to the bill were MCOs, Missouri Insurance Coalition, STL Area Business Health Coalition, and America’s Health Insurance Plans.

### **Childcare Tax Credits**

SB 742, sponsored by Senator Arthur, authorizes tax credits for childcare. The bill establishes childcare contribution tax credit, employer provided childcare assistance tax credit, and childcare providers tax credit. This bill had a hearing in the Senate Government Accountability committee this week.

Testifying in support of the bill was MO Chamber Commerce & Industry, Jefferson City Chamber of Commerce and Industry, BJC, Cox, Goodwill of Western MO, Kids Win MO, National Association of Social Workers, Columbia Chamber of Commerce, United WE, Chamber of Commerce KC, MO Retailers, MO Grocers Association, Campaign Life Missouri,

MO Alliance of Boys and Girls Club, MO Economic Development Council, Missouri Hospital Association, University Health, Align Missouri, and Catholic Conference.

There was no opposition to the bill.