

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0046-07  
Bill No.: HCS for SCS for SB 28  
Subject: Disabilities; Health Care; Health Care Professionals; Insurance - Medical;  
 Pharmacy  
Type: Original  
Date: April 29, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Pharmacy	\$0	(\$123,600)	(\$127,308)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>(\$123,600)</b>	<b>(\$127,308)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Social Services, Missouri Department of Transportation, Missouri Consolidated Health Care Plan, Department of Public Safety (DPS) - Missouri State Highway Patrol, Department of Insurance, Missouri Department of Conservation, and Putnam County Memorial Hospital** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** state the proposal allows the Board to establish an impaired license committee (“Well-being Committee”). The AGO assumes that if such a committee is established, the AGO may be required to assist the Board in drafting rules and in implementing the provisions of this proposal. The AGO further assumes that any costs from this proposal can be absorbed with existing resources.

Officials from the **DPS - Director’s Office** defer any cost estimates and comments to the Office of Administration and the Missouri Consolidated Health Care Plan since health care premiums and insurance matters are handled through those agencies.

Officials from the **Office of Secretary of State (SOS)** state the proposal modifies language regarding anti-kickback penalties and certain pharmaceutical companies. This proposal may result in the Department of Economic Development promulgating rules to implement the

ASSUMPTION (continued)

legislation. These rules will be published in the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development could require as many as 10 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, and withdrawn. The SOS estimates the cost of the proposal to be \$615 [(10 pgs. X \$27) + (15 pgs. X \$23)] for FY 06.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state based on a similar program with the Missouri Dental Board, it has estimated that the costs of the pharmacist “well-being” program established in section 338.380 will be \$120,000 annually to cover the operational expenses to enter into a contractual agreement creating, supporting and maintaining a “well-being committee.” It may be necessary to promulgate a fee increase to cover the costs associated with this program. The DED-PR assumes contract costs will not begin until FY 2007.

Section 376.823 relating to programs established by pharmaceutical companies will have no fiscal impact on the DED-PR.

Officials from the **Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center** and **Washington County Memorial Hospital** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>PHARMACY FUND</b>			
<u>Costs - Department of Economic Development</u>			
Well-being committee contract costs	<u>\$0</u>	<u>(\$123,600)</u>	<u>(\$127,308)</u>
<b>ESTIMATED NET EFFECT ON PHARMACY FUND</b>	<b><u>\$0</u></b>	<b><u>(\$123,600)</u></b>	<b><u>(\$127,308)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business pharmacies could be impacted by this proposal if license fees are increased.

DESCRIPTION

This proposal provides that the anti-kickback penalties specified in Section 191.905 will not apply to certain programs established by pharmaceutical companies. These programs provide partial rebates of private health insurance copayments and coinsurance to patients with multiple sclerosis or other chronic, potentially disabling or life-threatening conditions who have been prescribed disease-managing medicines for which there are no generic equivalents.

This proposal allows the Missouri State Board for Pharmacy to establish the Well-being Committee to assist pharmacists who suffer from illness, substance abuse, mental illness, or physical impairments. The board will enter into contractual agreements with nonprofit corporations in order to create, support, and maintain the committee. All communications involving the licensee and the committee are confidential and not considered public records. The committee may disclose information about an impaired licensee under the following circumstances: when it is necessary to further the intervention, treatment, or rehabilitation of the licensee; the release is authorized by the licensee; the committee must make a report to the board; or the information is subject to a court order.

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

Office of Attorney General  
Department of Economic Development -  
    Division of Professional Registration  
Department of Social Services  
Missouri Department of Transportation  
Department of Public Safety -  
    Director's Office  
    Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Department of Insurance  
Missouri Department of Conservation  
Office of Secretary of State  
Putnam County Memorial Hospital

**NOT RESPONDING: Barton County Memorial Hospital, Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Memorial Hospital, Excelsior Springs Medical Center, and Washington County Memorial Hospital**



Mickey Wilson, CPA  
Director  
April 29, 2005