

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4972-02
Bill No.: SB 1091
Subject: Health Care; Elderly; Pharmacy; Social Services Department; Drugs and
Controlled Substances
Type: Original
Date: March 27, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$292,194)	(\$310,213)	(\$311,724)
Total Estimated Net Effect on General Revenue Fund	(\$292,194)	(\$310,213)	(\$311,724)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume five FTE would be required to implement this proposal. DMS states a Computer Info Tech Specialist would be required to provide technical expertise in computer systems analysis and design as well as database and network administration. A Program Development Specialist would be required to organize, design and develop the program, as well as to evaluate and monitor the program on an on-going basis. A Medicaid Pharmaceutical Technician would be required to oversee and monitor the top 50 drugs and update as necessary, as well as answer questions from the pharmacies and pharmacists. A Medicaid Clerk would be required for data entry. An Office Support Assistant would be required for correspondence, answering phones and filing. DMS estimates an additional \$250,000 would be needed for systems and software to track data, providers, etc. DMS estimated total costs to be \$502,236 in FY 07, \$541,133 in FY08, and \$548,500 in FY09.

In a similar proposal, SB 1239 (L.R. 5476-01) from the current session, DMS assumed DMS would contract with a third party third party for sampling and reporting. DMS estimated the cost for a third party would be \$250,000 per year and a FTE would be needed for monitor the program. SB 1239 required quarterly reporting by pharmacies and this proposal requires monthly reporting. **Oversight** assumes the frequency of reporting will not make a substantial

fiscal

ASSUMPTION (continued)

impact. Oversight assumes DMS could use a third party to collect and report the data necessary for this proposal and that the fiscal impact of this proposal would be the same as SB 1239. Oversight assumes should the DMS incur more costs, additional funds to support the program would be sought through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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GENERAL REVENUE

Costs - Department of Social Services -
 Division of Medical Services

Personal Services (1 FTE)	(\$33,545)	(\$41,277)	(\$42,309)
Fringe Benefits	(\$4,780)	(\$18,186)	(\$18,642)
Expense and equipment	<u>(\$253,869)</u>	<u>(\$250,750)</u>	<u>(\$250,773)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$292,194)</u>	<u>(\$310,213)</u>	<u>(\$311,724)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes the Missouri Prescription Drug Price Website. The Missouri Rx plan within the Department of Social Services, shall maintain a website that assists consumers in searching for the lowest prices of prescription drugs in their area. The website shall be accessed by link on the Missouri Rx plan's current webpage and the Department of Social Services'

current website.

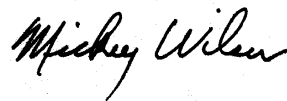
DESCRIPTION (continued)

The website shall provide pricing information on the fifty most commonly used prescription drugs in Missouri, as determined by the Missouri Rx plan. The website shall provide retail prices for brand name prescription drugs and generic prescription drugs. The website shall be made available no later than January 1, 2007.

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



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Director
March 27, 2006