

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4717-01
Bill No.: Perfected SB 1068
Subject: Pharmacy; Medicaid; Treasurer, State
Type: Original
Date: February 28, 2008

Bill Summary: This legislation creates the Pharmacy Rebates Fund which will consist of all revenues received from pharmaceutical manufacturer rebates for use in the MO HealthNet Pharmacy Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$23,428)	(\$23,428)	(\$23,428)
Total Estimated Net Effect on General Revenue Fund	(\$23,428)	(\$23,428)	(\$23,428)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and the **Office of the Missouri State Treasurer** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services (DSS)** assume the Pharmacy Rebates Fund is currently used as a funding source for four appropriations within the DSS Budget (HB 11). The four appropriations are MHD Administration, Pharmacy, SCHIP, and the Supplemental Pool. The majority of the rebates are designated as a funding source in the Pharmacy appropriation. Since SCHIP funds are used to support payments to providers, including pharmacists, for medical services for SCHIP eligibles, this would also be a permissible use under this legislation. (The amount currently appropriated to SCHIP from the Pharmacy Rebate Fund is \$225,430.)

The current amounts appropriated to the other appropriations are:

MHD Administration	\$ 23,427
Supplemental Pool	<u>\$ 1(E)</u>
Total	\$ 23,428

Therefore, if the legislation would pass, the fiscal impact would be that a GR replacement would be needed in those appropriations.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE FUND			
<u>Costs - Department of Social Services</u>			
MHD Admin & Supplemental Costs	<u>(\$23,428)</u>	<u>(\$23,428)</u>	<u>(\$23,428)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$23,428)</u>	<u>(\$23,428)</u>	<u>(\$23,428)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

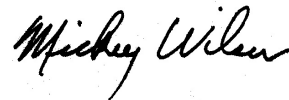
FISCAL DESCRIPTION

The proposed legislation establishes the Pharmacy Rebates Fund for the purposes of depositing any revenues received by the state from pharmaceutical manufacturer rebates as required by state or federal law for use in the MO HealthNet pharmacy program.

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 Revenue
Department of Social Services
Office of the Missouri State Treasurer



Mickey Wilson, CPA
Director
February 28, 2008