

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1225-03
Bill No.: SCS for HCS for HB 412 with SA1 and SA2
Subject: Drugs and Controlled Substances; Pharmacy
Type: Original
Date: May 10, 2011

Bill Summary: This legislation modifies the disciplinary authority of the Board of Pharmacy and defines the term legend drug for the purpose of certain pharmacy statutes. This legislation modifies the authority of the Board of Pharmacy with regard to certain drugs used in veterinary medicine. This legislation extends the MO Rx prescription drug plan until August 28, 2014 (this legislation will sunset on August 28, 2014).

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Missouri Rx Plan Fund	(\$19,602,166)	(\$19,602,166)	(\$19,602,166)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$19,602,166)	(\$19,602,166)	(\$19,602,166)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 338.055 & 338.330:

Officials from the **Department of Public Safety, Department of Health and Senior Services, Department of Social Services, Department of Insurance, Financial Institutions and Professional Registration, Missouri State Highway Patrol, Office of Administration-Administrative Hearing Commission** and the **Department of Mental Health** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Bates County Memorial Hospital, Cedar County Memorial Hospital, Cooper County Memorial Hospital, Putnam County Memorial Hospital, Washington County Memorial Hospital** and the **Excelsior Springs Medical Center** each have not responded to Oversight's request for fiscal information.

Sections 338.010, 338.140, 338.150, 338.210, 338.220, 338.240:

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** and **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agencies.

Section 208.798:

Officials from the **Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agency.

In response to a similar proposal from this year (SB 408), officials from the **Department of Mental Health (DMH)** assumes there would be no fiscal impact should the sunset be extended to August 28, 2014.

DMH has approximately 42,779 consumers in the Divisions of Comprehensive Psychiatric Services (CPS) and Developmental Disabilities (DD) that are dual-eligibles. DMH assumes should the Missouri RX program sunset August 28, 2011, these 42,779 DMH consumers or the DMH would have to pay for the co-pays for prescription drugs that Missouri RX currently pays. According to DSS data, a dual-eligible uses approximately 7 prescriptions per month (per Table 23 of the FSD/MHD Monthly Management Report). The co-pays that Missouri RX currently

ASSUMPTION (continued)

pays are \$1.25, \$2.50, or \$3.15. Therefore, DMH assumes that if this sunset is not extended, the cost to DMH consumers or DMH would be greater than \$4,491,795 (7 prescriptions x 12 months x 42,779 consumers x \$1.25).

Officials from the **Department of Social Services** assume the legislation will not have a fiscal impact to the Department since the legislation is simply extending the program.

Oversight states the Missouri Rx Plan has been appropriated \$19,602,166 annually from FY 2007 through FY 2010. This appropriated amount does not reflect sources of other income, such as interest income and rebate income. Oversight assumes any shortage in the appropriated amount in the Missouri Rx Plan Fund would be recovered from the appropriated \$1(E) Healthy Families Trust Fund. Therefore, Oversight assumes a fiscal impact of \$19,602,166.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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MISSOURI RX PLAN FUND

<u>Costs - Department Social Services</u> Program Costs (Section 208.798)	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>
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ESTIMATED NET EFFECT ON MISSOURI RX PLAN FUND	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>	<u>(\$19,602,166)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<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

Section 208.798:

The proposed legislation extends the sunset date for the Missouri Rx prescription drug program from August 28, 2011 to August 28, 2014.

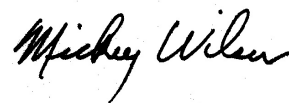
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Office of Administration-Administrative Hearing Commission
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Department of Public Safety
Missouri State Highway Patrol

Not Responding:

**Bates County Memorial Hospital
Cedar County Memorial Hospital
Cooper County Memorial Hospital
Putnam County Memorial Hospital
Washington County Memorial Hospital
Excelsior Springs Medical Center**



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Director

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