

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5967-01
Bill No.: HB 1827
Subject: Pharmacy; Boards, Commissions, Committees, Councils; Insurance Dept.
Type: Original
Date: March 5, 2012

Bill Summary: This proposal establishes the Missouri Electronic Prior Authorization Committee and pilot program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Administrative Rules** do not anticipate a fiscal impact.

Officials from the **Missouri Senate, Missouri House of Representatives, Department of Conservation, Department of Health and Senior Services, Department of Mental Health and Missouri Consolidated Health Care Plan** assume there will be no fiscal impact to their agencies.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume the provisions of this proposal can be handled within their current appropriations. The DIFP assumes the provisions of subsection 338.320.4 which states “the staff of the Department of Insurance, Financial Institutions and Professional Registration shall provide assistance to the committee”, would be limited to providing support for the chairman of the committee; the Insurance Divisions, the Board of Healing Arts and the Board of Pharmacy would provide information pertaining to their applicable statutes, rules and regulations on an as needed basis and would not serve as committee members; and committee members would not be reimbursed for travel expenses and per diem. However, if the intent of the proposal is outside these assumptions and/or the cost and extent of the work be more than anticipated, the DIFP would request additional appropriations and/or FTE through the budget process.

Officials from the **Department of Transportation (DHT)** assume this proposal establishes the Missouri Electronic Prior Authorization Committee and pilot program to monitor and report to the General Assembly on the Missouri - based electronic prior authorization pilot program. This proposal would not impact the Medical Plan.

It should be noted, the Plan designed several prescription coverage rules or benefit designs which allow the Plan to cover certain drugs for their intended use according to established clinical guidelines so we can afford to cover these drugs under the benefit. In addition, this is a practice allowed in the federal Medicare program. If DHT were not allowed to continue their rules and benefit designs, the Plan and member cost would generally increase, and specifically it would also affect DHT’s ability to continue to manage their costs.

Based on the committee’s findings, DHT would anticipate the findings would change the Plan’s ability to set benefit rules or designs, which would impact the Plan. The impact is unknown at this time based on just this language along.

ASSUMPTION (continued)

Oversight assumes the impact would be \$0 based on the fact that this is a pilot program and it is setting up the Committee. The above statements are speculative and therefore could be determined through the budget process after the pilot program is completed.

Officials from the **Governor's Office** assume there should be no added cost to their office as a result of this measure. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be a need for additional staff resources in future years.

Officials from the **Department of Social Services (DOS)** assume this proposal does not impact their department. The proposal establishes a committee to facilitate, monitor, and report to the General Assembly on the establishment of national electronic prior authorization standards. Upon adoption of the standards approved by the NCPDP, the committee shall prepare a final report that identifies the appropriate regulations that will need to be promulgated as well as any legislative action needed.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

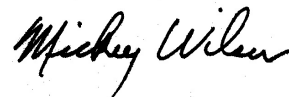
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Joint Committee on Administrative Rules
Missouri Senate
Missouri House of Representatives
Governor's Office
Missouri Consolidated Health Care Plan
Department of Transportation
Department of Conservation
Department of Health and Senior Services
Department of Mental Health
Department of Insurance, Financial Institutions and
Professional Registration



Mickey Wilson, CPA
Director
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