

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5477-05
Bill No.: Perfected SS for SB 754
Subject: Social Services Department; Public Assistance; Pharmacy; Elderly
Type: Original
Date: April 16, 2014

Bill Summary: This proposal modifies provisions relating to pharmacy including the MO Rx Prescription Drug Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$5,308,372)	(\$6,370,046)	(\$6,370,046)
Total Estimated Net Effect on General Revenue Fund	(\$5,308,372)	(\$6,370,046)	(\$6,370,046)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Healthy Families Trust	(\$4,032,214)	(\$4,838,657)	(\$4,838,657)
Missouri RX Plan	(\$10,453,657)	(\$12,544,388)	(\$12,544,388)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$14,485,871)	(\$17,383,045)	(\$17,383,045)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§196.990 - Epinephrine (EPI) Auto-injectors

In response to similar legislation (SB 868), officials from the **Columbia/Boone County Department of Public Health and Human Services (DPHHS)** stated the DPHHS would incur unknown training costs as a result of this proposal. The proposal requires an employee, agent, or other person who provides or administers an epinephrine auto-injector to successfully complete an anaphylaxis training program prior to providing or administering an epinephrine auto-injector and at least every two years following successful completion of the initial training program. The training must be conducted by a nationally recognized organization experienced in training laypersons in emergency health treatment or other entity or person approved by the Department of Health and Senior Services. Since the training entities are not yet established in regulation, it is impossible to know the cost associated with the training.

Oversight assumes since provisions regarding the prescription of epinephrine auto-injectors by a physician to an authorized entity and the acquiring of a stock supply of epinephrine auto-injectors by the authorized entity are permissive, the DPHHS would not be required to provide training in the use of the auto-injectors and, therefore, would not have to incur the training costs.

In response to similar legislation (SB 868), officials from **Missouri State University (MSU)** stated this proposal would have a negative fiscal impact on MSU, the extent of which cannot be determined and quantified at the present time.

In response to similar legislation (SB 868), officials from the **University of Missouri (UM)** stated the cost for a 2-pack of EpiPen is \$262.36. Each pen is a single dose. Depending on where the placement of the drug is warranted and how many auto injector pens would be required, the UM officials believe the cost, depending on the actual number of sites and training (every two years), could be significant, exceeding \$100,000 annually.

Oversight assumes since provisions regarding the prescription of epinephrine auto-injectors by a physician to an authorized entity and the acquiring of a stock supply of epinephrine auto-injectors by the authorized entity are permissive, MSU and UM would not incur the negative impact anticipated.

ASSUMPTION (continued)

Officials at the **Department of Social Services** assume the proposal would not fiscally impact their agency.

In response to similar legislation (SB 868), officials from the **Department of Health and Senior Services**, the **Joint Commission on Administrative Rules**, **Linn State Technical College**, **Northwest Missouri State University**, **Missouri Western State University**, **Kansas City Public Schools**, and the **University of Central Missouri** each assumed there would be no fiscal impact to their respective organizations from this proposal.

§208.798 - Sunset Provisions for MO RX Prescription Drug Program

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this legislation does not have a fiscal impact since the legislation is simply extending the program.

Oversight assumes extending the MO RX Prescription Drug Program, rather than letting it expire on August 28, 2014, will result in costs to the state. Oversight notes the Governor's recommendations for FY 15 include funding for the program of \$23,753,091 (General Revenue \$6,370,046; Healthy Families Trust Fund \$4,838,657; Missouri RX Plan Fund \$12,544,388). These numbers are consistent with the FY 14 budget.

For fiscal note purposes, Oversight will assume funding for the MO RX Plan Program will be \$23,753,091 annually for the period covered by the fiscal note.

In response to an earlier version of this proposal, officials from the **Office of Administration - Division of Budget and Planning (BAP)** stated the proposed legislation should not result in additional costs or savings to the BAP. The funding for the MO RX Program is included in the current year budget and the proposed budget for FY 15.

In response to an earlier version of this proposal, officials from the **Department of Health and Senior Services** assumed the proposal would not fiscally impact their agency.

§§338.059, 338.165 and 338.220 - Pharmacy Licensure

In response to similar provisions (SB 942), officials from the **Department of Health and Senior Services** assumed the proposal would not fiscally impact their agency.

ASSUMPTION (continued)

Bill as a Whole

Officials from the **Office of State Courts Administrator**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, and the **Missouri Consolidated Health Care Plan** each assume the proposal would not fiscally impact their respective agencies.

In response to various similar proposals, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$5,308,372)</u>	<u>(\$6,370,046)</u>	<u>(\$6,370,046)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$5,308,372)</u>	<u>(\$6,370,046)</u>	<u>(\$6,370,046)</u>
HEALTHY FAMILIES TRUST FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
ESTIMATED NET EFFECT ON THE HEALTHY FAMILIES TRUST FUND	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
MISSOURI RX PLAN FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
ESTIMATED NET EFFECT ON THE MISSOURI RX PLAN FUND	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

HWC:LR:OD

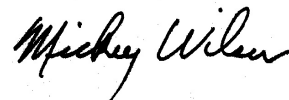
FISCAL DESCRIPTION

This proposal extends the expiration date of the MO RX Prescription Drug Program from 2014 to 2017.

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 State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Missouri Consolidated Health Care Plan
Joint Commission on Administrative Rules
Office of Secretary of State
Office of Administration -
 Division of Budget and Planning
Columbia/Boone County Department of Public Health and Human Services
Missouri State University
University of Missouri
Linn State Technical College
Northwest Missouri State University
Missouri Western State University
Kansas City Public Schools
University of Central Missouri



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