

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4495-03
Bill No.: Perfected HB 1568
Subject: Liability; Drugs and Controlled Substances; Medical Procedures and Personnel
Type: Original
Date: February 9, 2016

Bill Summary: This proposal allows physicians to prescribe naloxone to any individual to administer, in good faith, to another individual suffering from an opiate-induced drug overdose.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$105,724)	(\$10,899)	(\$11,226)
Total Estimated Net Effect on General Revenue	(\$105,724)	(\$10,899)	(\$11,226)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenditures net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state the proposal allows physicians to prescribe and pharmacists and pharmacy technicians to dispense, naloxone to an individual to administer, in good faith, to another individual suffering from an opiate-induced drug overdose. The intra-nasal Naloxone was not approved by the Federal Drug Administration (FDA) last year and, therefore, is not MO HealthNet eligible. Naloxone hydrochloride, an opioid overdose blocker was only recently approved by the FDA for intra-nasal use, and therefore, is now eligible for MO HealthNet reimbursement.

Participants with a diagnosis of opioid abuse or opioid dependence would be eligible to receive this opioid antagonistic drug/device. This drug/device would be covered if it met the MHD criteria that would promote appropriate utilization of the drug.

There are currently 10,697 MHD participants who have a diagnosis of opioid or opioid dependence.

MHD assumed that 50% of the participants ($10,697 \times 50\% = 5,349$ rounded) with a relevant diagnosis would receive the opioid antagonistic in the first year. MHD further assumed that there would be 90% utilization ($5,349 \times 90\% = 4,814$) for the intra-nasal and 10% utilization ($5,349 \times 10\% = 535$) for the injectable for participants with an opioid abuse/opioid dependence diagnosis. The current cost for the injectable is \$87.50 and \$50.00 for the intra-nasal. MHD assumes a 3% increase each year in costs. The impact in the first year would be \$287,513 ($(4,814 \times 50) + (535 \times \$87.50)$) (\$181,789 Federal; \$105,724 State). In subsequent years, MHD assumed that there would be 10% growth in the FY17 claims (5% due to new individuals seeking the opioid antagonistic and 5% due to participants accessing a drug refill, so the participant count for the injectable would be 54 ($535 \times 10\%$) and 481 ($4,814 \times 10\%$) for intra-nasal for each year. Therefore, in FY18 there will be an impact of \$4,876 for the injectable and \$24,772 for the intra-nasal (\$18,740 Federal; \$10,899 State); for FY19 there will be an impact of \$5,013 for the injectable and \$25,515 for the intra-nasal (\$19,302 Federal; \$11,226 State). Costs are split Federal/State 63.228%/36.772% , respectively.

Officials from the **Department of Health and Senior Services, the Department of Insurance, Financial Institutions and Professional Registration, the Department of Public Safety, Missouri State Highway Patrol, the Office of Administration and the Office of State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Costs - DSS (§ 195.206)</u>			
Program expenditures	<u>(\$105,724)</u>	<u>(\$10,899)</u>	<u>(\$11,226)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$105,724)</u>	<u>(\$10,899)</u>	<u>(\$11,226)</u>
FEDERAL FUNDS			
<u>Income - DSS (§ 195.206)</u>			
Increase in program reimbursements	\$181,789	\$18,740	\$19,302
<u>Costs - DSS (§ 195.206)</u>			
Increase in program expenditures	<u>(\$181,789)</u>	<u>(\$18,740)</u>	<u>(\$19,302)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may have a minimal fiscal impact on small business pharmacies.

FISCAL DESCRIPTION

This bill allows any licensed pharmacist or pharmacy technician to sell and dispense intranasal naloxone under physician protocol to any person who is at least 18 years old with a valid Missouri identification or driver license. The licensed pharmacist or pharmacy technician must record specified information pertaining to the sale.

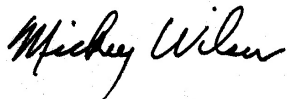
FISCAL DESCRIPTION (continued)

The bill creates immunity from criminal prosecution, disciplinary actions from a professional licensing board, and civil liability for an individual who, acting in good faith and with reasonable care, administers an opioid antagonist to an individual whom he or she believes is suffering an opioid-related drug overdose. Any individual or organization may store and dispense an opioid antagonist without being subject to the licensing and permitting requirements in Chapter 338, RSMo, if he or she does not collect a fee or compensation for dispensing the opioid antagonist when the person or organization is acting under a standing order issued by a health care professional who is authorized to prescribe an opioid antagonist.

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 Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Public Safety -
 Missouri State Highway Patrol
Department of Social Services -
 MO HealthNet Division
Office of Administration
Office of State Courts Administrator



Mickey Wilson, CPA
Director
February 9, 2016

Ross Strope
Assistant Director
February 9, 2016