

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4495-03  
Bill No.: Truly Agreed To and Finally Passed HB 1568  
Subject: Liability; Drugs and Controlled Substances; Medical Procedures and Personnel  
Type: Original  
Date: June 2, 2016

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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**

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

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

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

\* Income and expenditures net to \$0.

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

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

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

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state the proposal allows physicians to prescribe and pharmacists to dispense, naloxone to an individual to administer, in good faith, to another individual suffering from an opiate-induced drug overdose.

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
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DSS (§ 195.206)</u>			
Program expenditures	<u>(\$105,724)</u>	<u>(\$10,899)</u>	<u>(\$11,226)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$105,724)</u></b>	<b><u>(\$10,899)</u></b>	<b><u>(\$11,226)</u></b>
<b>FEDERAL FUNDS</b>			
<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>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill allows any licensed pharmacist to sell and dispense naloxone under physician protocol and 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.

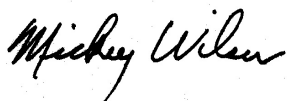
FISCAL DESCRIPTION (continued)

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



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