

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5403-05
Bill No.: Truly Agreed To and Finally Passed SS for HCS for HB 2029
Subject: Health Care; Health Care Professional; Insurance - Health; Department of Insurance, Financial Institutions and Professional Registration; Pharmacy; Physicians
Type: Original
Date: June 13, 2016

Bill Summary: This proposal changes the laws regarding step therapy for prescription drugs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Insurance Dedicated Fund	\$0	Up to \$36,500	\$0
Total Estimated Net Effect on Other State Funds	\$0	Up to \$36,500	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$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 **Missouri Consolidated Health Care Plan**, the **Department of Health and Senior Services**, the **Office of the Secretary of State**, the **Department of Transportation**, the **Missouri Department of Conservation**, the **Department of Mental Health** and the **Department of Social Services** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate up to 10 amendments per licensed company in the small employer group market. At the end of 2014 there were 73 licensed major medical and health maintenance organization companies in Missouri. Policy amendments must be submitted to the department for review along with a \$50 filing fee. One time additional revenues to the Insurance Dedicated Fund are estimated to be up to \$36,500.

Oversight assumes this proposal will only apply to policies delivered, issued or renewed on or after January 1, 2018. Therefore, Oversight will move the fiscal impact to FY 2018 and reflect "Up to" DIFP's estimate.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
INSURANCE DEDICATED FUND			
<u>Revenue - DIFP - Policy Amendment Fees</u>	<u>\$0</u>	<u>Up to \$36,500</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>\$0</u>	<u>Up to \$36,500</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

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

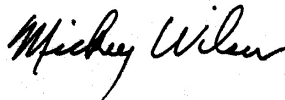
FISCAL DESCRIPTION

This proposal changes the laws regarding step therapy protocols for prescription drugs.

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
Department of Health and Senior Services
Department of Mental Health
Department of Social Services
Missouri Department of Conservation
Department of Transportation
Missouri Consolidated Health Care Plan
Office of the Secretary of State
Joint Committee on Administrative Rules



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June 13, 2016

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Assistant Director
June 13, 2016