COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

<u>L.R. No.</u>: 1945-01 <u>Bill No.</u>: SB 423

Subject: Disabilities; Elderly; Health Care; Public Assistance; Social Services Department

Type: Original

Date: February 28, 2017

Bill Summary: This proposal removes the termination date for the MO Rx Prescription

Drug Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	
General Revenue	(\$15,085,703)	(\$18,102,844)	(\$18,102,844)	
Total Estimated Net Effect on General Revenue	(\$15,085,703)	(\$18,102,844)	(\$18,102,844)	

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	
MO Rx Plan Fund	(\$3,879,438)	(\$4,655,326)	(\$4,655,326)	
Total Estimated Net Effect on <u>Other</u> State Funds	(\$3,879,438)	(\$4,655,326)	(\$4,655,326)	

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

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ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	
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 2018	FY 2019	FY 2020	
Local Government	\$0	\$0	\$0	

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FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS), MO HealthNet Division** and **Division of Legal Services** assume the proposal will have no fiscal impact on their organization.

Oversight assumes deleting section 208.798, and thereby the 08-28-17 termination date for the MO Rx Prescription Drug Program, will result in costs to the State. Oversight notes the Governor's recommendations for FY18 includes funding for the MO Rx Drug Program of \$22,758,170 (General Revenue \$18,102,844 and Other State Funds (MO Rx Plan Fund # 0779) of \$4,655,326).

For fiscal note purposes, Oversight will assume funding for the MO Rx Drug Program will be \$22,758,170 (GR \$18,102,844; Other State Funds \$4,655,326) for each FY18, FY19 and FY20. Oversight will reflect 10 months of impact in FY 2018.

Expenditures for the program have been: \$22,287,547 in FY 2016;

\$22,127,661 in FY 2015; and \$21,529,983 in FY 2014

Officials from the **Office of Administration**, **Division of Budget & Planning (B&P)** state the proposal does not impact B&P. This proposal should not impact Total State Revenue (TSR) or the calculation under Article X, Section 18(e).

Officials from the **Department of Health and Senior Services** and the **Department of Mental Health** each assume the proposal would not fiscally impact their respective agencies.

ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$15,085,703)	(\$18,102,844)	(\$18,102,844)
Costs - DSS (repeal of §208.798) On-going MO Rx Drug Program expenditures	(\$15,085,703)	(\$18,102,844)	(\$18,102,844)
GENERAL REVENUE FUND	(10 Mo.)	FY 2019	FY 2020
FISCAL IMPACT - State Government	FY 2018	FY 2019	FY 2020

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FISCAL IMPACT - State Government	FY 2018 (10 Mo.)	FY 2019	FY 2020
MO Rx PLAN FUND	` ,		
Costs - DSS (repeal of §208.798) On-going MO Rx Drug Program expenditures	(\$3,879,438)	(\$4,655,326)	(\$4,655,326)
•	(45,675,156)	<u>(\$\psi,022,520)</u>	(41,000,000)
ESTIMATED NET EFFECT ON MO Rx PLAN FUND	<u>(\$3,879,438)</u>	<u>(\$4,655,326)</u>	<u>(\$4,655,326)</u>
FISCAL IMPACT - Local Government	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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 act removes the termination date on the MO Rx Prescription Drug Program.

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

Mickey Wilson, CPA

Mickey Wilen

Director

Ross Strope Assistant Director L.R. No. 1945-01 Bill No. SB 423 Page 5 of 5 February 28, 2017

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