

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1416-01  
Bill No.: SB 309  
Subject: Health Care; Health Care Professionals; Pharmacy; Professional Registration and Licensing  
Type: Original  
Date: April 23, 2019

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Bill Summary: This proposal authorizes pharmacists to prescribe and dispense tobacco cessation products.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Federal Funds*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Savings, income, costs and losses unknown and net to \$0

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§338.010 and 338.665 - Pharmacists prescribing and dispensing tobacco cessation products

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state §338.665 allows pharmacists to prescribe and dispense any tobacco cessation products. Tobacco cessation products are defined as any drug approved by the federal Food and Drug Administration for use as an aid to tobacco cessation. The board of pharmacy shall adopt regulations.

Based on FY 2018 data, MO HealthNet had 111,948 participants with a diagnosis of nicotine dependence. 19,491 of those participants utilized tobacco cessation products in the last year, leaving 92,457 participants who could potentially seek prescriptions directly from a pharmacist in lieu of a physician. On average participants utilizing tobacco cessation products get 2.5 prescriptions per year. The average cost of a tobacco cessation product prescription is \$124.16.

MO HealthNet also assumes some savings as a result of increased tobacco cessation product use. An article published on Medicaid.Gov (<https://www.medicaid.gov/medicaid/quality-of-care/improvement-initiatives/tobacco/index.html>) indicates a savings of \$2-\$3 for every dollar invested in tobacco cessation.

The number of individuals that will utilize a pharmacist to receive tobacco cessation products instead of a physician is unknown and the total amount of associated savings related to tobacco cessation is unknown; therefore, the fiscal impact is presented as a range from \$0 - Unknown.

MHD notes that there could be unknown savings from non-tobacco usage if recipients require less care and costs decrease, but there is no way to determine what the savings may be at the present time.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the fiscal impact of this proposal as Unknown savings to Unknown costs.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state 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 \$5,000. 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 require additional resources.

**Oversight** notes that 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 Missouri Consolidated Health Care Plan, the Missouri Department of Conservation and the Missouri Department of Transportation** have stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>Savings - DSS (§§338.010 and 338.800)</u>			
Reduction in Medicaid expenditures as a result of decreased smoking	Unknown	Unknown	Unknown
<u>Costs - DSS (§§338.010 and 338.800)</u>			
Pharmacy costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>FEDERAL FUNDS</b>			
<u>Savings</u> - DSS (§§338.010 and 338.800)			
Reduction in Medicaid expenditures as a result of decreased smoking	Unknown	Unknown	Unknown
<u>Income</u> - DSS (§§338.010 and 338.800)			
Increase in program reimbursements	Unknown	Unknown	Unknown
<u>Costs</u> - DSS (§§338.010 and 338.800)			
Pharmacy expenditures	(Unknown)	(Unknown)	(Unknown)
<u>Loss</u> - DSS (§§338.010 and 338.800)			
Reduction in program reimbursements as a result of decreased smoking	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</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 2020 (10 Mo.)	FY 2021	FY 2022
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

This proposal could have a positive fiscal impact on small business pharmacies.

FISCAL DESCRIPTION

Under this act, the practice of pharmacy shall include the prescribing and dispensing of any tobacco cessation product.

A tobacco cessation product is defined as any drug approved by the Food and Drug Administration (FDA) for use as an aid to tobacco cessation.

FISCAL DESCRIPTION (continued)

The Board of Pharmacy shall, under this act, adopt regulations governing a pharmacist's authority to prescribe and dispense tobacco cessation products, including the conditions for which a pharmacist may prescribe and dispense such product.

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  
Joint Committee on Administrative Rules  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Department of Transportation  
Office of Secretary of State



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April 23, 2019

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