

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4296-01
BILL NO.: SB 949
SUBJECT: Psychologists; Licenses - Professional; Nurses; Health Care; Health Care Professionals; Medical Procedures and Personnel; Drugs and Controlled Substances
TYPE: Original
DATE: February 21, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$581,649)	(\$725,898)	(\$754,933)
Total Estimated Net Effect on <u>All</u> State Funds	(\$581,649)	(\$725,898)	(\$754,933)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

***Revenues and expenditures of more than \$100,000 annually are expected and net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance**, the **Department of Health**, the **Department of Transportation**, the **Department of Conservation**, the **Department of Mental Health**, and the **Department of Public Safety - Missouri State Highway Patrol** assume this proposal would not fiscally impact their agencies.

Missouri Consolidated Health Care Plan (HCP) officials state that members of HCP can access mental health prescriptions through the pharmacy benefit. HCP states this proposal would merely broaden the authorized provider base. HCP assumes this would probably increase the cost of the pharmacy benefit. HCP states it would be very difficult to estimate the amount of the increase but it would not be expected to be extremely significant.

Officials from the **Department of Social Services (DOS)** state the Medicaid program is required by section 208.152, RSMo, to make payments for drugs and medicines only when prescribed by a licensed physician, dentist, or podiatrist. DOS states that the proposal would allow psychologists to prescribe certain drugs. Increasing the number of providers able to prescribe drugs would likely increase the number of prescriptions. DOS states this is due in part to the greater access of Medicaid recipients to providers able to write prescriptions. DOS assumed that the psychologists would prescribe the drugs similar to psychiatrists. DOS states that through ad hoc reports, they determined that the average monthly expenditure for the type of drugs that psychologists should be able to prescribe was \$1,653,411. DOS states there are 884 enrolled psychiatrists. Therefore the average monthly pharmacy expenditures for these type of drugs prescribed by each psychiatrists is \$1,870.37 ($\$1,653,411/884$). DOS states there are 798 psychologists enrolled as Medicaid providers. DOS states that if psychologists prescribed the same amount of drug claims as psychiatrists, the additional monthly costs would be \$1,492,555 ($\$1,870.37 \times 798$). The additional average yearly cost would be \$17,910,660 ($\$1,492,555 \times 12$ months).

DOS assumes a conservative estimate that psychologists would prescribe ten percent of the drugs that psychiatrists prescribe. DOS states the fiscal impact based on this assumption in the first full year would be \$1,791,066 ($\$17,910,660 \times 10\%$). The fiscal impact in FY2001 would be \$1,492,555 ($\$1,791,066 \times 10/12$). DOS assumes an inflation rate of four percent for FY2002 and FY2003.

Department of Economic Development - Division of Professional Registration officials did not respond to our fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

GENERAL REVENUE FUND

<u>Costs - Department of Social Services</u>			
Medical assistance payments	<u>(\$581,649)</u>	<u>(\$725,898)</u>	<u>(\$754,933)</u>

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$581,649)</u>	<u>(\$725,898)</u>	<u>(\$754,933)</u>
---	---------------------------	---------------------------	---------------------------

FEDERAL FUNDS

<u>Income - Department of Social Services</u>			
Medicaid reimbursements	\$910,906	\$1,136,811	\$1,182,284

<u>Costs - Department of Social Services</u>			
Medical assistance payments	<u>(\$910,906)</u>	<u>(\$1,136,811)</u>	<u>(\$1,182,284)</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
---	---------------------	---------	---------

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	-------------------	-------------------

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent they could enroll in the Medicaid program and incur additional administrative costs as a result of the requirements of this proposal.

DESCRIPTION

This proposal would allow psychologists to administer, order, and prescribe medications after obtaining specific training. The State Committee of Psychologists would certify licensed
DESCRIPTION (continued)

L.R. NO. 4296-01
BILL NO. SB 949
PAGE 4 OF 4
February 21, 2000

psychologists to do so with medications necessary in the treatment of various psychological disorders. Within 5 years of application, applicants must complete: 1. a pharmacology course, with at least 300 contact hours in specific areas of study; 2. A clinical experience lasting at least one year with at least 100 patients treated; and 3. a certifying examination. The State Committee would state on the license whether the psychologist is certified to prescribe medications and would forward a list of those certified to the State Board of Pharmacy. Pharmacists would be authorized to fill these prescriptions if the medication is part of a special formulary to be established by rule. Registered Nurses and Licensed Practical Nurses would administer prescriptions ordered by a psychologist certified to prescribe and would confer with the psychologist prior to administration.

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
Department of Mental Health
Department of Social Services
Missouri Consolidated Health Care Plan
Department of Conservation
Department of Transportation
Department of Insurance
Department of Public Safety
Missouri State Highway Patrol

NOT RESPONDING: Department of Economic Development - Division of Professional Registration



Jeanne Jarrett, CPA
Director
February 21, 2000