

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0619-01  
Bill No.: SB 106  
Subject: DSS; Creates a pharmaceutical assistance program for qualified senior citizens.  
Type: Original  
Date: January 31, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$25,408,682)	(\$52,381,506)	(\$54,153,568)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$25,408,682)</b>	<b>(\$52,381,506)</b>	<b>(\$54,153,568)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 13 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Service - Missouri Highway Patrol, Department of Conservation, Missouri Consolidated Health Care Plan, Office of State Courts Administrator, and Office of the Attorney General** assume the proposed legislation will not have a fiscal impact on their organizations.

Officials from the **Department of Highway Transportation (DHT)** assume that citizens eligible for this program will drop the Highway and Patrol Medical Plan coverage and the DHT medical plan maintains coverage on only those individuals that are frequent users of the plan. If this happens, there could be a fiscal impact to the current medical plan. However, without the ability to predict whether the individuals drop or retain their coverage with the DHT medical plan, the fiscal impact cannot be calculated.

Officials from the **Department of Social Services (DOS) - Division of Aging (DA)** state that according to population census data, approximately 771,000 of 5,117,073 Missouri residents are age 65 or older. According to the Department of Revenue, for calendar year 1999, 318,596 individuals with a filing status of single or married filing separately and 130,820 with a filing status of married filing combined received a pharmaceutical tax credit (318,596 + 130,820 = 449,416 total pharmaceutical tax credits).

According to the AARP Public Policy Institute (Report #9914, September, 1999), outpatient prescription drugs are not covered under Medicare and represent a substantial out-of-pocket burden for many seniors. Approximately one-third of seniors that have Medicare have no form of supplemental drug coverage and those that do have coverage still face burdensome out-of-pocket expenses due to inadequate coverage. The study estimates that seniors may spend as much as 30% of their annual income on out-of-pocket drugs alone depending on their social, economic, and health conditions. The study stated the following conclusions:

1. Private sector drug coverage is often inadequate; 25% of the Medicare beneficiaries spend \$500 or more out-of-pocket on drugs in a given year:
  - 22% spend less than \$1.00 per year.
  - 34% spend \$1 - \$199 per year.
  - 19% spend \$200 - \$499 per year.
  - 13% spend \$500 - \$999 per year.
  - 12% spend \$1,000 + per year.
  
2. Beneficiaries with the highest out-of-pocket drug spending are disproportionately those who have individual supplemental coverage; 42% of beneficiaries spending at or over \$1,000 have some type of drug coverage;

ASSUMPTION (continued)

3. Beneficiaries with modest incomes (135% - 200% of poverty) have higher than average out-of-pocket drug spending; and,
4. Low-income beneficiaries (those with income below poverty) spend 9% of their income for drugs and those without Medicaid (about 45% of low-income Medicare beneficiaries do not have Medicaid) spend 13% of their income on drugs alone.

For the purpose of this bill, the DA feels it is reasonable to extrapolate the following assumption using information available regarding prescription expenditures:

**Program Authority:**

The DA would create a pharmaceutical assistance program to provide reimbursement to seniors age 65 or over who:

- have an adjusted gross income (Section 62 of US Internal Revenue Code) of \$50,000 or less;
- spend five hundred dollars or more annually on pharmaceuticals, medical supplies or medical assistive technology devices.

The DA assumes that the recipient will need to offer proof of the previous year's Federal taxable income. In the event that taxes are not filed by the applicant, the DA will be responsible for determining eligibility for participation based on the language contained in Section 62 of US Internal Revenue Code. The DA assumes that there is no reimbursement for the first \$500 of pharmaceutical, medical supply or medical assistive technology device expenses paid by the senior. The DA also assumes that all pharmaceuticals prescribed by a physician, all medical supplies meeting definitions or criteria as developed by the DA and all medical assistive technology devices meeting definitions or criteria as developed by the DA are eligible for inclusion in computing the deductible and issuing the reimbursement and that this will include out-of-pocket co-pay and deductibles from private insurance. The DA assumes that all individuals qualifying for the pharmaceutical tax credit in FY1999 would also qualify for participation in the pharmaceutical assistance program. Individuals or married couples qualified for the 1999 pharmaceutical tax credit if their adjusted gross income was less than \$25,000 (full tax credit if income was \$15,000 or less; credit reduced by \$2 for every \$100 income which exceeded the \$15,000 limit). Additionally, there is an indeterminate number of individuals who would be eligible for the pharmaceutical assistance program whose adjusted gross income exceeds \$25,000 but is less than \$50,000. Based on census population data, the total number of individuals age 65 or more is 771,000; this would be the maximum number of qualifying individuals.

ASSUMPTION (continued)

The DA assumes that of the 130,820 married filing combined pharmaceutical tax credits, either only one or both of the individuals may be 65 years of age or older. For the purposes of this fiscal note, the DA has assumed that 1.5 persons qualify.

The AARP Report statistics included only out-of-pocket prescription drug expenses. The inclusion of the cost of medical supplies and medical assistive technology devices in the out-of-pocket costs in the pharmaceutical assistance program would alter the expenditure brackets. For purposes of this fiscal note, the DA has assumed that 50% of the individuals spending \$200 - \$499 on prescription drugs would also qualify when the costs of medical supplies and medical assistive technology devices were included. Additionally, the DA has assumed that 33.33% of the individuals spending \$500 - \$999 on prescription drugs would move to the category of spending over \$1,000 when adding the costs of medical supplies and medical assistive technology devices.

The DA will reimburse qualified recipients 75% of the amount they actually spend on pharmaceuticals, medical supplies and medical assistive technology devices for a maximum of \$1,000.

**Potential Minimum Eligibles:**

The DA has estimated the minimum qualified recipients assuming that percentages of out-of-pocket prescription costs are transferable to the population within the qualifications of this bill. Based on the findings of AARP (with an adjustment for the expenses for medical supplies and assistive medical technology devices), the DA has calculated the group of potential minimum eligibles:

Number of individuals or married filing separately	318,596
Number of married filing combined (130,820 x 1.5)	<u>196,230</u>
Total minimum number seniors meeting eligibility	514,826
12% Individuals spending \$1,000 or more out-of-pocket on prescription drugs	61,779
13% Individuals spending \$500-\$999 or more out-of-pocket on prescription drugs	66,927
Half of 19% of individuals spending \$200 - \$499 or more out-of-pocket on prescription drugs	<u>48,909</u>
Projected minimum potential eligibles	177,615

Because there is a presumption that pharmaceuticals, medical supplies and medical assistive technology devices are a burdensome expense to seniors who do not otherwise qualify for medical assistance, it is reasonable to estimate a participation rate of 75% for qualified individuals.

ASSUMPTION (continued)

Projected minimum potential eligibles	177,615
Projected 75% Participation Rate	133,211

**Note:** The above number is a minimum estimate of the potential eligibles. In addition to the 133,211 participants, there will be an indeterminate number of eligibles whose income exceeds \$25,000 but is less than \$50,000. According to census population estimates, there are 771,000 individuals age 65+. If all these individuals meet the eligibility requirements and there is a 75% participation rate, the potential eligibles could increase to over 575,000.

**Reimbursement Costs Paid to Participants:**

The DA officials state that utilizing the information from the AARP findings, reimbursement for out-of-pocket expenditures show 133,211 of the total eligibles (514,826) will qualify for reimbursement. The AARP report reflects out-of-pocket expenditures for prescription drugs only. This proposal allows individuals reimbursement for prescription drugs as well as medical supplies and assistive medical technology devices. Therefore, the DA is assuming that approximately one-half of the individuals spending between \$200 - \$499 ( $19\% \times \frac{1}{2} = 9.5\%$ ) on prescription drugs will qualify as spending over \$500 when including the cost of medical supplies and assistive medical technology devices. Additionally, the DA is assuming that one-third of the individuals spending between \$500-\$999 on prescription drugs ( $13\% \times \frac{1}{3} = 4.33\%$ ) will qualify as spending over \$1,000 when the cost of medical supplies and assistive medical technology devices are included.

The DA estimates that 18.17% ( $19\% \times \frac{1}{2} = 9.5\% + 13\% \times \frac{2}{3} = 8.67\%$ ) spend between \$500 and \$999 on prescription drugs, medical supplies and assistive medical technology devices. The DA also estimates that 16.33% ( $13\% \times \frac{1}{3} = 4.33\% + 12\%$ ) spend more than \$1,000 on prescription drugs, medical supplies and assistive medical technology devices. Therefore of the eligible population, 53% [ $18.17\% / (18.17\% + 16.33\%)$ ] will spend between \$501- \$999; and 47% [ $16.33\% / (18.17\% + 16.33\%)$ ] will spend \$1,000 or more. Of the participating minimum eligibles, 70,602 ( $133,211 \times 53\%$ ) will spend between \$501 and \$999 per year and 62,609 ( $133,211 \times 47\%$ ) will spend in excess of \$1,000 per year for out-of-pocket drug, medical supplies and medical assistive technology devices expenses.

The DA officials state reimbursement will be issued at 75% of cost for a maximum of \$1,000 per year. Assuming no reimbursement for the first \$500, the state will reimburse a minimum of \$.75 for a senior spending \$501 to a maximum of \$1,000 for a senior spending \$1,834 or more on pharmaceuticals (\$1,834 less \$500 non-reimbursable at 75% = \$1,000).

ASSUMPTION (continued)

Projected participating seniors spending between \$501 & \$999 per year: 70,602 participants x average reimbursement of \$187 =	\$13,202,574
Projected participating seniors spending over \$1,000 per year: 62,609 participants x average reimbursement of \$687 =	\$43,012,383
Total Projected Annual Reimbursement Costs	\$56,214,957

**Administrative Costs Paid to Pharmacies:**

Currently, there are over 2,400 Medicaid participating pharmacies in the state of Missouri. The DA assumes that the administrative costs associated with claim submission is applied to the amount of prescriptions, medical supplies and assistive medical technology devices eligible for reimbursement. Because recipients have multiple claims throughout the year, the DA anticipates that the majority of the claim submission will be provided as a service by the pharmacy. Therefore, it is reasonable to apply an administrative cost of 2% of the anticipated reimbursement. Administrative costs (2%) for pharmacies will be based on claims eligible for inclusion in the program (rather than all claims submitted). The payment for administrative costs will be issued to the pharmacy.

Projected Annual Administrative Costs on \$56,214,957 @ 2% = \$1,124,299

The DA anticipates a twelve (12) month phase-in before reaching full participation, reaching a 50% reimbursement rate by the end of FY02 and a full participation rate by half way into FY03. FY03 and FY04 costs include a 4% inflation adjustment for pharmaceutical reimbursements.

**Staff and Program Oversight:**

The DA will establish a program unit to determine eligibility and process claims for the pharmaceutical program. A Social Services Manager B1 will be needed to provide program development, administer and provide oversight to the program and eligibility determinations, supervise staff, ensure accountability and monitor the outcome of the program. One (1) Clerk Typist III position will be needed to provide necessary support to the Social Services Manager. The program unit will be divided into two sections, the Claims Processing section and the Eligibility Determination section; all staff will be located in Jefferson City.

The DA states that based on information obtained from MOSERS in regard to cafeteria plan claims processing, the DA assumes that approximately 120 claims for reimbursement can be processed per day. The Claims Processing section will require 271 Account Clerk II positions [133,211 claims x 4.68 claims submitted per person per month x 12 months/120 claims processed per day/230 days per year (on average, one staff person works 1,840 hours per year based on 2,080 standard hours per year less 104 hours for holidays, 96 hours for annual leave and 40 hours for sick leave)]. The Account Clerk IIs would review claims, examine invoices prior to

ASSUMPTION (continued)

payment to determine propriety of expenditures by checking mathematical facts and comparing units invoiced to units received, maintain records of individual charges, track cap limits on individuals, authorize reimbursement for claims, monitor claims, provide feedback to the recipients, calculate administrative allowance for participating pharmacies and monitor reimbursement.

The Eligibility Determination section will be staffed by 14 eligibility Case Workers (133,211 eligibles x 15% random sampling income & asset verification = 19,982 eligibles at an average of 6 cases per day/230 days per year). Based on information from the Division of Family Services, an eligibility and restitution worker can process an average of six (6) cases per day due to the amount of work involved. (If the workers had to conduct income and asset verification on every client then it would result in a need for 96.5 Case Workers (133,211 eligibles/6 cases per day/230 days per year = 96.5.) The eligibility Case Workers will provide program assistance to agency clients, determine initial and continuing eligibility for recipients of pharmaceutical assistance reimbursement, verify information received from clients, and conduct income and asset verification. The clients will be asked to sign attestations to the fact that their adjusted annual gross income is less than twice the poverty level and the Eligibility Caseworkers will conduct a verification based on a 15% random sample of cases.

Claims may be submitted by the recipient or the pharmacy, however, the DA assumes that reimbursement will be made to the recipient. Based on the assumption that each pharmacy or recipient will continue to request reimbursement for pharmaceutical expenses on a claim-by-claim basis, the DA will be required to process payments continuously once eligibility has been established. It is reasonable to assume the state has the authority to reimburse recipients on a monthly basis.

The DA assumes, based on historical information, an additional unknown number of individuals will apply for benefits that are not actually eligible for program participation and this will also require review of caseworkers. The DA would also create attestation forms for those persons who do not file a tax return but who are still eligible for the credit. The new DA staff will be brought on over a period of twelve months. To ensure worker oversight, a supervisor to worker ratio of 1:10 will be necessary. Two (2) Aging Program Specialist I positions in the Eligibility Determination unit would be needed to supervise the case workers and ensure program accountability and two (2) Clerk Typist II positions would be needed to provide general clerical support to the unit and the supervisor. The Claims Processing Unit will need 27 Accountant I positions to supervise and review the work of approximately 271 Account Clerk II positions each and five (5) Clerk Typist II positions will be needed to provide support to the 27 Accountant I positions. Three (3) Accountant III positions will be needed to supervise and review the work of the Accountant I positions and to assist the Social Services Manager in designing and implementing the claims reimbursement process and three (3) Clerk Typist III positions will be needed to provide necessary support to the Accountant III positions.

ASSUMPTION (continued)

In addition to standard costs, all new staff will need systems furniture at a cost of \$4,500 per FTE and network compatible desktop PCs at a cost of \$2,099 per FTE. In addition twenty-six (26) laser printers will be needed for the 329 new staff to share at a cost of \$2,050 per printer.

**Forms and Mailing:**

The DA will develop brochures regarding the program, applications, approval letters and reimbursement requests. Although there is a very large pool of potential recipients, it is unknown how many will request information or applications. The division is calculating mailing and printing costs using the potential pool of eligible participants (177,615) as those that will request brochures and applications.

Brochures at a cost of \$0.35 each (177,615 x .35)	\$62,165
Forms at a cost of \$.20 per applicant (177,615 x .20)	\$35,523
Anticipated Mailing Costs at \$.50 per applicant (177,615 x .50)	<u>\$88,808</u>
Total	\$186,496

Based on previous experience, the following amounts represent the average annual expense of an FTE:

- Rent (Statewide Average) - \$2,700 per FTE (\$13.50 per sq. ft. x 200 sq. ft.)
- Utilities - \$320 per FTE (\$1.60 per sq. ft. x 200 sq. ft.)
- Janitorial/Trash - \$200 per FTE (\$1.00 per sq. ft. x 200 sq. ft.)
- Other Expenses - \$3,906 per FTE (includes travel, office supplies, professional development, telephone charges, postage and all other expenses not itemized above.)

FY02 costs for staff and the associated expense and equipment costs are based on a phase-in of the program with costs for the Social Services Manager position, the Accountant III positions, the Aging Program Specialist I positions, the Clerk Typist III positions and approximately one-half of the supervisors, caseworkers, accountants, account clerks and clerical support and costs for forms and mailing based on the six month period January 1, 2002 through June 30, 2002. FY03 costs are based on the remaining staff starting July 1, 2002. FY03 and FY04 costs include a 3.0% inflation adjustment for expense & equipment costs and a 2.5% inflation adjustment for personal services.

**Note:**

The above costs are the minimum cost of this proposal based upon the estimated number of known eligibles. In addition, to the 133,211 known minimum eligibles, there will be an indeterminate number of eligibles whose income exceeds \$25,000 but is less than \$50,000. According to census population estimates, there is 771,000 individuals age 65+. Assuming a 75% participation rate, if all these individuals meet the eligibility requirements, the potential

ASSUMPTION (continued)

eligibles could increase to over 575,000. Estimating the same reimbursement rates for the additional indeterminate eligibles as for the known minimum eligibles, the reimbursement costs could be as much as \$242,650,000; the projected administrative costs could be as much as \$4,853,000. Additionally, the cost of printing forms and mailing could be as much as \$603,750. The Staff and Program Oversight costs would increase if the eligibles increased to 575,000. Assuming eligibility determinations on 575,000 eligibles, the division would need the following additional staff: 403 caseworkers, 40 aging program specialist Is, 40 clerk typist IIs, 4 aging program specialist IIs, 4 clerk typist IIIs, 1 social services manager band 2 and 1 clerk IV. For the claims processing section the division would need the following additional staff: 899 account clerk IIs, 90 accountant Is, 18 clerk typist IIs, 9 accountant IIIs, 9 clerk typist IIIs, 1 fiscal and administrative manager band 2, and 1 clerk IV. The additional personal services cost would be \$54,516,464 annually; the additional expense and equipment costs would be \$11,778,329 annually for ongoing expenses and \$11,848,190 for one-time equipment.

**Oversight** assumes the number of eligibles used by the DOS - DA is incorrect. Per the 1999 Statistical Abstract of the United States (Table 744 - Money Income of Households - Distribution, by Income Level and Selected Characteristics: 1997), there are approximately 18,103,000 households age 65 and over with incomes of \$50,000 or less in the United States. Oversight assumes that Missouri is 1.9% of the national total, or 343,957 households. Oversight assumes an average of 1.5 individuals per household or 515,936 individuals age 65 and over in Missouri. Approximately 77,000 Medicaid eligible individuals would reduce the 515,936 to 438,936 eligible individuals. Oversight assumes 12% ( $438,936 \times 12\% = 52,672$ ) of all eligible individuals are spending out-of-pocket \$1,000 or more per year. Oversight assumes that 42% ( $52,672 \times 42\% = 22,122$ ) of these eligible individuals spending at or over \$1,000 have some type of drug coverage. Therefore, the number of eligible individuals for this program would be 416,814 ( $438,936 - 22,122$ ). Oversight projects the potential eligibles as follows:

12% Individuals spending \$1,000 or more out-of-pocket on prescription drugs	50,018
13% Individuals spending \$500-\$999 or more out-of-pocket on prescription drugs	54,186
Half of 19% of individuals spending \$200 - \$499 or more out-of-pocket on prescription drugs	<u>39,597</u>
Projected potential eligibles	143,801
Projected 75% Participation Rate	107,851

Oversight assumes 57,161 ( $107,851 \times 53\%$ ) will spend between \$501 - \$999 per year and 50,690 ( $107,851 \times 47\%$ ) will spend in excess of \$1,000 per year for out-of-pocket drug, medical supplies, and medical assistive technology devices costs. Oversight projects the following program costs:

ASSUMPTION (continued)

Projected participating seniors spending between \$501 & \$999 per year:	
57,161 participants x average reimbursement of \$187 =	\$10,689,107
Projected participating seniors spending over \$1,000 per year:	
50,690 participants x average reimbursement of \$687 =	\$34,824,030
Total Projected Annual Reimbursement Costs	\$45,513,137

**Oversight** assumes pharmaceutical reimbursements would begin on January 1, 2002.

**Oversight** projects pharmacy administrative costs to be \$910,263 (\$45,513,137 x 2%).

**Oversight** assumes that the pharmacies would elect to file all claims for eligible participants. Oversight assumes that the DA would limit pharmacies to filing once a month per eligible participant. Therefore, Oversight assumes one Social Services Manager, one Aging Program Specialist, two Clerk Typist III, forty-seven Account Clerk IIs, five Accountant Is, twelve Caseworker IIs, one Accountant III, and two Clerk Typists IIs.

**DOS - Division of Data Processing (DP)** would develop a new eligibility, claims processing, and payment system. A method of determining when a qualifying senior has expended \$500 annually on prescription medications would need to be developed as well as establishing that they are within the \$1,000 window for reimbursements.

The DP officials state that an automated income verification interface would need to be established. Various reports would be developed and maintained for monitoring the program by the DA. Existing office space, furniture and equipment would be utilized for the 3 new CIT IIs needed. There would also be Computer Mainframe processing and storage costs associated with operating the system. Without specifics, it is difficult to accurately project what these costs would be. Based on the DA's projection of 133,000 + participating seniors, the CPU processing cost to operate the system could be substantial, while disk storage cost would be minimal. The majority of the cost of this fiscal note is the FTEs. The three CIT IIs would develop and maintain the system/subsystem as follows: 1 CIT II for each Eligibility, Claims Processing, and Payments. The new staff would work under the guidance of an existing Project Lead.

**DOS - Division of Budget and Finance (DBF)** officials assume that 53% of the estimated 133,211 participants or 70,601 will submit an average of 2.5 claims each year which exceed the threshold and therefore, will require 176,502 checks to be issued. The DBF officials also assume that 47% of the estimated 133,211 participants will submit an average of 7 claims each year which exceed the threshold and therefore, will require 438,000 checks to be issued. With a total of 614,502 checks mailed, an average would be 51,208 checks per month.

The DBF officials also assume that the DA will process all initial paper claims and input the data into a data base so that the information will be submitted to the DBF in electronic form. The DBF officials assume that the DA will be given authority to issue its own checks so that the DBF ASSUMPTION (continued)

will be able to submit the transaction to the Division of Accounting on a single covering warrant.

Within the DBF, this process is similar to the current Medicaid system in which a contractor submits an electronic file for coding and approval for about 15,000 checks a month. Currently one accountant II does the coding, approval and covering warrants for the Medicaid system so it is further assumed that one accountant I and two account clerk II could perform the same tasks for this program. Also, the DBF would incur postage costs for mailing 614,502 checks.

**Oversight** assumes one Accountant I could perform the necessary duties.

**DOS - Division of Legal Services (DLS)** officials state that the DA projects that roughly 133,211 persons are in the “eligible universe” for this program. This assumption is based on a change in income level eligibility only, since the legislation makes no reference to any other qualifications to receive aid.

The DLS officials state that assuming an eligible universe of 133,211, they also assume that a least 10% of those persons (or 13,321) will be turned down for participation in this program. The DLS officials also assume that 10% of the persons turned down for participation will choose to appeal that decision. Therefore, the DLS would have approximately 1,321 new appeal cases per year to work through its Litigation Unit. The DLS officials estimate it will take 16 hours per case (in attorney time only) and, therefore, will have to find sufficient staff to work approximately 21,163 hours of attorney time (16 hours per case x 1,321 cases). The DLS attorneys have a work year of 2,080 hours/attorney year. The DLS officials anticipate that it would require 10 additional full time attorneys to handle the additional appellate workload (21,163 hours/2,080 hours per attorney-year = 10.1 new attorneys). Using a ratio of 1 FTE support staff for every 2 attorneys results in 5 new FTE support staff required to handle the increased workload.

**Oversight** assumes five Attorneys and two Clerk Typist IIIs could perform the duties of this division.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	(10 Mo.)		

**GENERAL REVENUE FUND**

Costs - DOS - Division of Aging

Personal services (71 FTE)	(\$517,480)	(\$1,891,947)	(\$1,939,250)
Fringe benefits	(\$172,476)	(\$630,586)	(\$646,352)
Expense and equipment	(\$485,141)	(\$775,204)	(\$531,270)
Pharmaceutical administration	(\$455,132)	(\$946,673)	(\$984,540)
Pharmaceutical reimbursements	<u>(\$22,756,568)</u>	<u>(\$47,333,662)</u>	<u>(\$49,227,009)</u>
Total <u>Costs</u> - Division of Aging	<u>(\$24,376,797)</u>	<u>(\$51,578,072)</u>	<u>(\$53,328,421)</u>

Costs - DOS - Division of Data Processing

Personal services (3 FTE)	(\$94,126)	(\$115,776)	(\$118,670)
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\$50,000 (AGI) or less. Qualified persons would apply to the DA for reimbursement after spending over \$500 in one year and submitting documents proving their qualifications and expenditures. The DA would then reimburse such persons for seventy-five percent of their drug, medical supplies, and medical assistive technology devices expenditures, up to an annual reimbursement of \$1,000. Pharmacies would submit claims on behalf of qualified persons and may add a two percent administrative fee. Any person who violates the provisions of this proposal would be guilty of a Class C felony if the amount involved is over \$750 and a Class D felony if the amount is between \$501 and \$750.

This legislation is not federally mandated and would not duplicate any other program. It would require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services  
Office of State Courts Administrator  
Office of Attorney General  
Department of Public Safety - Missouri State Highway Patrol  
Department of Conservation  
Missouri Consolidated Health Care Plan  
Highway and Transportation Department



Jeanne Jarrett, CPA  
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