

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0498-01  
Bill No.: HB 108  
Subject: Crimes and Punishment; Drugs and Controlled Substances; Insurance - Medical;  
Pharmacy  
Type: Original  
Date: January 12, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Insurance Dedicated	\$8,000	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$8,000</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Public Safety (DPS) - Director's Office** and **DPS - Missouri State Highway Patrol** assume the proposal would have no fiscal impact on their organizations.

Officials from the **Missouri Department of Conservation (MDC)** state the proposal would not impact MDC funds since it is already part of MDC's insurance guidelines.

Officials from the **Missouri Consolidated Health Care Plan (HCP)** state currently under HCP's contract, if the copayment amount is higher than the cost of the drug, the member pays the cost of the drug. Therefore, the proposal will have no fiscal impact on the HCP.

Officials from the **Missouri Department of Transportation (DOT)** state the proposal would have no fiscal impact on the DOT or Missouri Highway and Transportation Commission since the proposal only applies to HMOs and health insurers and not to self-insured governmental plans.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state the proposed legislation requires health maintenance organizations and health insurers to charge enrollees the lesser of the co-payment or the actual cost of a prescription drug. The proposal will not have a fiscal impact on the DMS.

ASSUMPTION (continued)

Under the Missouri Medicaid program, the current policy related to Pharmacy copayments is: If the usual and customary amount plus the shared dispensing fee is less than the \$5.00 copay to be charged to the recipient, the provider should charge the lesser amount of the shared dispensing fee plus the usual and customary amount. If the usual and customary amount is \$5.00 or more, the provider should charge the copay and shared dispensing fee.

Officials from the **Department of Insurance (INS)** state the INS estimates 160 insurers and HMOs would be required to submit amendments to their policies to comply with the legislation. Policy amendments must be submitted to the INS for review, along with a \$50 filing fee. One-time additional revenues to the Insurance Dedicated Fund are estimated to be \$8,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy for reviews, the INS will need to request additional staff to handle the increase in workload.

**This proposal would result in an increase in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>INSURANCE DEDICATED FUND</b>			
<u>Income - Department of Insurance</u>			
Form filing fees	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND</b>	<b><u>\$8,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact small businesses that provide insurance to their employees if the cost of premiums increases as a result of the proposal.

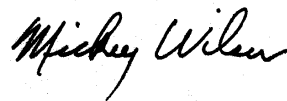
## DESCRIPTION

This proposal specifies that if the actual cost of a prescription drug is less than the co-payment applied by a health maintenance organization or health insurer, then the enrollee is only required to pay the actual cost of the prescription drug.

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



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