

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1024-03
Bill No.: HB 487
Subject: Health Care
Type: Original
Date: February 4, 2019

Bill Summary: This proposal changes the laws regarding the dispensing of contraceptives.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(\$2,997)	(\$3,683)	(\$3,771)
Total Estimated Net Effect on General Revenue	(\$2,997)	(\$3,683)	(\$3,771)

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

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

* Income, savings, costs and losses approximately \$11,000 annually and net to \$0.

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

FISCAL ANALYSIS

ASSUMPTION

§§338.010 and 338.720 - Pharmacists to prescribe and dispense oral contraceptives

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this proposal is anticipated to have no fiscal impact to the DIFP. However, would the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the DIFP can perform the additional duties required by this proposal with existing personnel and resources.

Officials from the **Department of Health and Senior Services (DHSS)** state this legislation requires the Board of Pharmacy to adopt rules in consultation with the DHSS. It is assumed it will take a Health and Senior Services Manager (salary \$66,798) approximately 16 hours to assist the Board of Pharmacy with the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties (16 hours ÷ 2,080 hours per year = 0.01) for a total personal service cost of \$668 (\$66,798 X 0.01) for FY 2020.

The department anticipates being able to absorb these costs. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight assumes, for fiscal note purposes, the DHSS will be able to perform the additional duties specified in this proposal with current staff.

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** state this bill modifies Chapter 338 (Pharmacists) to authorize pharmacists to prescribe and dispense self-administered oral hormonal contraceptives. Individuals age 18 or older may receive a pharmacist prescription regardless of whether the individual has evidence of a prior prescription for contraceptives from a physician. The Board of Pharmacy is charged with promulgating rules to implement this authority. Such rules must require the pharmacist to 1) complete a training program approved by the Board prior to prescribing such contraceptives; 2) provide the patient a self-screening risk assessment tool prior to writing a prescription; 3) refer the patient to her physician upon prescribing and dispensing the contraceptive; 4) provide a written record of the contraceptive prescribed and dispensed to the patient; and 5) dispense the contraceptive to the patient as soon as practicable after issuing a prescription. Chapter 376 is also revised to require health carriers and health benefit plans to reimburse pharmacists that prescribe and dispense such contraceptives.

ASSUMPTION (continued)

Based on utilization between July-December 2018, there were 19,682 MO HealthNet participants utilizing a self-administered oral hormonal contraceptive. MHD assumes 10% (1,968) of these participants will seek prescriptions directly from a pharmacist in lieu of a physician. MHD further assumes the intent of this legislation is to authorize a pharmacist to write temporary scripts for contraceptives until the patient can see a physician. Pharmacists would need to enroll with MO HealthNet to meet ordering, prescribing, referring, and attending requirements. MHD estimates a \$4 professional fee will be assessed for the pharmacist's effort to meet with the patient and write the script. MHD assumes 50% of 1,968 participants would utilize a pharmacist for contraceptive scripts only once per year at a cost of \$3,936 ($50\% * 1,968 * \4); 35% of participants would utilize the pharmacy for contraceptive scripts twice per year at a cost of \$5,510 ($35\% * 1,968 * \8); 10% of participants would utilize the pharmacist for contraceptive scripts three times per year at a cost of \$2,362 ($10\% * 1,968 * \12); and 5% of participants would utilize the pharmacist for contraceptive scripts four times per year at a cost of \$1,574 ($5\% * 2,514 * \16). The total annual cost of \$13,382 is multiplied by federal share (65.588%) for a total of \$8,777 and general revenue (34.412%) for a total of \$4,605. MHD assumes this will not increase utilization.

In addition, MHD assumes that those utilizing the pharmacist contraceptive scripts four times per year would not utilize a physician's office visit for the purpose of renewing their contraceptive script in that year. This would generate a savings of \$29.78 (cost of an office visit) each year for an estimated 98 participants ($5\% * 1,968$). It is assumed there will be a \$2,442 ($98.4 * \$29.78 * 10/12$) savings in FY 2020, \$3,000 ($98.4 * \$29.78 * 1.024$) savings in FY 2021 and \$3,072 ($\$3,000 * 1.024$) in FY 2022. The savings would be in general revenue and federal funds.

FY 2020 estimate assumes only 10 months of implementation. A 2.4% trend factor was applied to FY 2021 and FY 2022.

Pharmacy services are reimbursed by the state agency on a fee-for-service basis for MO HealthNet Managed Care members. Therefore, there would be no fiscal impact to the Managed Care program and no affect on the health plans that contract with the state to provide services to MO HealthNet Managed Care members.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DSS for fiscal note purposes.

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

ASSUMPTION (continued)

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.

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.

§376.1238 - Health carriers and health benefit plans

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this proposal is anticipated to have no fiscal impact to the DIFP. However, would the extent of the work be more than anticipated, the DIFP would request additional appropriation and/or FTE through the budget process.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the DIFP can perform the additional duties required by this proposal with existing personnel and resources.

Oversight notes that 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
GENERAL REVENUE FUND			
<u>Savings - DSS (\$338.720)</u>			
State share of reduced physician costs	\$841	\$817	\$837
<u>Costs - DSS (\$338.720)</u>			
Pharmacy professional fees	<u>(\$3,838)</u>	<u>(\$4,500)</u>	<u>(\$4,608)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$2,997)</u>	<u>(\$3,683)</u>	<u>(\$3,771)</u>
 FEDERAL FUNDS			
<u>Income - DSS (\$338.720)</u>			
Program receipts for increase in pharmacist script writing	\$7,314	\$9,203	\$9,424
<u>Savings - DSS (\$338.720)</u>			
Reduction in physician costs	\$1,601	\$2,183	\$2,236
<u>Costs - DSS (\$338.720)</u>			
Increase in program costs for pharmacist script writing	(\$7,314)	(\$9,203)	(\$9,424)
<u>Loss - DSS (\$338.720)</u>			
Reduction in reimbursement for physician costs	<u>(\$1,601)</u>	<u>(\$2,183)</u>	<u>(\$2,236)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2020
(10 Mo.)

FY 2021

FY 2022

\$0

\$0

\$0

FISCAL IMPACT - Small Business

§338.720 - This proposal would directly impact small business pharmacies. Pharmacists in small businesses must complete a training program to be able to prescribe hormonal contraceptives, have a self-screening risk assessment tool for use by the patient prior to the pharmacist's prescribing the contraceptive available, be able to refer the patient to the patient's primary care practitioner or women's health care practitioner, and provide the patient with a written record of the contraceptive prescribed.

FISCAL DESCRIPTION

This bill allows a pharmacist to prescribe and dispense self-administered oral hormonal contraceptives to a patient who is 18 years old or older. The patient does not need to have evidence of a previous prescription from a health care practitioner.

The Board of Pharmacy must adopt rules that will require a pharmacist to complete training on prescribing oral contraceptives, to provide a self-screening risk assessment to a patient, to refer the patient to a health care practitioner, to provide the patient with a written record or the prescription, and to dispense the oral contraceptive as soon as practicable.

All state and federal laws governing insurance coverage of contraceptives will apply to contraceptives prescribed by a pharmacist.

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
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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