

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3027-01
Bill No.: HB 1332
Subject: Health Care; Health Care Professionals; Pharmacy
Type: Original
Date: January 18, 2008

Bill Summary: This legislation establishes the Pharmacy Audit Bill of Rights Act of 2008.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
State Board of Pharmacy Fund	(\$25,650)	(\$25,650)	(\$25,650)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$25,650)	(\$25,650)	(\$25,650)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services, Office of the State Public Defender, Office of the State Auditor** and the **Office of the State Courts Administrator** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of the Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Mental Health (DMH)** state although the DMH operates pharmacies it is not an entity that performs audits as described in this proposal. Therefore, this proposal would have no fiscal impact upon the Department.

Officials from the **Department of Social Services** states the language in 338.600. 2. limits to whom the bill of rights would impact. The only state agencies listed are the Department of Insurance and the Board of Pharmacy. Since MO HealthNet Division (MHD) is not a listed agency, the enumerated rights would not apply even though they do speak to the state of Missouri in a broader context.

Officials from the **Department of Insurance, Financial Institutions & Professional Registration (DIFP)** assume this proposal authorizes the Board of Pharmacy and other entities to conduct scheduled audits of licensed pharmacy records and establishes requirements of the auditor. DIFP assume there will be 171 cases requiring a scheduled audit each year with a cost of \$150. The total cost to the Board of Pharmacy is \$25,650 (171 X \$150).

FISCAL IMPACT - State Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

**STATE BOARD OF PHARMACY
FUND**

Costs - Department of Insurance,
Financial Institutions & Professional
Registration

Audit Costs

(\$25,650)

(\$25,650)

(\$25,650)

**ESTIMATED NET EFFECT ON
STATE BOARD OF PHARMACY
FUND**

(\$25,650)

(\$25,650)

(\$25,650)

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

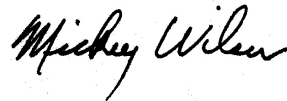
FISCAL DESCRIPTION

The proposed legislation establishes the Pharmacy Audit Bill of Rights Act of 2008 and the guidelines that any entity auditing a pharmacy must follow. Any entity conducting an audit must develop an appeals process under which a pharmacy can appeal an unfavorable audit report. The bill of rights does not apply to any investigative audits involving fraud, willful misrepresentation, or abuse.

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

Office of the Attorney General
Office of the State Courts Administrator
Department of Insurance, Financial Institutions & Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Office of the State Auditor
Office of the State Public Defender

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 18, 2008