

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5682-01
Bill No.: HB 1627
Subject: Department of Social Services; Pharmacy
Type: Original
Date: February 13, 2014

Bill Summary: This proposal extends the expiration date of the Missouri RX Plan from 2014 to 2017.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$5,308,372)	(\$6,370,046)	(\$6,370,046)
Total Estimated Net Effect on General Revenue Fund	(\$5,308,372)	(\$6,370,046)	(\$6,370,046)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Healthy Families Trust	(\$4,032,214)	(\$4,838,657)	(\$4,838,657)
Missouri RX Plan	(\$10,453,657)	(\$12,544,388)	(\$12,544,388)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$14,485,871)	(\$17,383,045)	(\$17,383,045)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services (DSS) - MO HealthNet Division (MHD)** state this legislation does not have a fiscal impact since the legislation is simply extending the program.

Oversight assumes extending the MO RX Prescription Drug Program, rather than letting it expire on August 28, 2014, will result in costs to the state. Oversight notes the Governor's recommendations for FY 15 include funding for the program of \$23,753,091 (General Revenue \$6,370,046; Healthy Families Trust Fund \$4,838,657; Missouri RX Plan Fund \$12,544,388). These numbers are consistent with the FY 14 budget.

For fiscal note purposes, Oversight will assume funding for the MO RX Plan Program will be \$23,753,091 annually for the period covered by the fiscal note.

Officials from the **Office of Administration -Division of Budget and Planning (BAP)** state the proposed legislation should not result in additional costs or savings to the BAP. Funding for the MoRx Program is included in the current year budget and the proposed budget for FY 15.

Officials from the **Department of Mental Health** and the **Department of Health and Senior Services** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$5,308,372)</u>	<u>(\$6,370,046)</u>	<u>(\$6,370,046)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$5,308,372)</u>	<u>(\$6,370,046)</u>	<u>(\$6,370,046)</u>
HEALTHY FAMILIES TRUST FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
ESTIMATED NET EFFECT ON THE HEALTHY FAMILIES TRUST FUND	<u>(\$4,032,214)</u>	<u>(\$4,838,657)</u>	<u>(\$4,838,657)</u>
MISSOURI RX PLAN FUND			
<u>Costs - DSS-MHD</u>			
Extension of MO RX Prescription Drug Plan (§208.798)	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
ESTIMATED NET EFFECT ON THE MISSOURI RX PLAN FUND	<u>(\$10,453,657)</u>	<u>(\$12,544,388)</u>	<u>(\$12,544,388)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

HWC:LR:OD

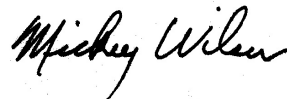
FISCAL DESCRIPTION

This proposal extends the Missouri RX Plan through August 28, 2017.

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 Mental Health
Department of Health and Senior Services
Department of Social Services -
 MO HealthNet Division
Office of Administration -
 Division of Budget and Planning



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February 13, 2014

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February 13, 2014