

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5330-02
Bill No.: HCS for HB 1542
Subject: Pharmacy; Insurance - Health
Type: Original
Date: March 9, 2018

Bill Summary: This proposal prohibits certain actions by pharmacy benefits managers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE			

☐ 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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Social Services**, the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Missouri Consolidated Health Care Plan** assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Columbia/Boone County Department of Public Health and Human Services** assumed the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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.

FISCAL DESCRIPTION

This bill prohibits a pharmacy benefits manager from charging a copayment for a prescription or pharmacy service that exceeds the amount retained by the pharmacy from all payment sources for filling that prescription or providing that service.

A pharmacy benefits manager cannot prohibit a pharmacy from informing a person of the difference between his or her co-payment and the amount he or she would pay if a health benefit plan was not used to cover the cost.

FISCAL DESCRIPTION (continued)

The pharmacy benefits manager also cannot prohibit a pharmacy from selling a prescription to a person who chooses not to use a health benefit plan to cover the cost, as long as the cost is less than the co-payment for the drug.

A pharmacy benefits manager cannot interfere with a pharmacist's ability to provide pharmacy care to a covered person.

A pharmacy benefits manager cannot charge a pharmacy for any fee that is related to a claim unless the amount of the fee has been disclosed at the time of the claim's adjudication.

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 Insurance, Financial Institutions and Professional Registration
Department of Social Services
Department of Health and Senior Services
Department of Mental Health
Missouri Consolidated Health Care Plan
Columbia/Boon County Department of Public Health and Human Services

Ross Strobe



Acting Director
March 9, 2018