

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5330-02  
Bill No.: Perfected HCS for HB 1542  
Subject: Pharmacy; Insurance - Health  
Type: Original  
Date: April 18, 2018

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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
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<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 FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on FTE</b>			

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

In response to a previous version (without the amendments), 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** assumed 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.

### **House Amendment 1**

**Oversight** assumes House Amendment 1 requires the Department of Insurance, Financial Institutions and Professional Registration to enforce the provisions of this section.

**Oversight** assumes DIFP is provided with core funding to handle a certain amount of activity each year. Oversight assumes DIFP could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DIFP could request funding through the appropriation process.

**Oversight** also assumes House Amendment 1 will have no fiscal impact to state or local governments.

### **House Amendment 2**

**Oversight** assumes House Amendment 2 allows the Department of Insurance, Financial Institutions and Professional Registration to promulgate rules as necessary to implement the provisions of this section.

**Oversight** assumes DIFP is provided with core funding to handle a certain amount of activity each year. Oversight assumes DIFP could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DIFP could request funding through the appropriation process.

**Oversight** also assumes House Amendment 2 will have no fiscal impact to state or local governments.

<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.

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.

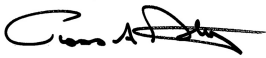
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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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

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized, cursive script.

Acting Director  
April 18, 2018