

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-3490/1		Introduction Number AB-898
Subject Statewide prescription drug program		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		Affected Ch. 20 Appropriations
Agency/Prepared By DHFS/ Curtis Cunningham (608) 266-5362	Authorized Signature Fred Ellen Bove (608) 266-2907	Date 1/16/02

Fiscal Estimate Narratives

DHFS 3/7/02

LRB Number	01-3490/1	Introduction Number	AB-898	Estimate Type	Original
Subject					
Statewide prescription drug program					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a pharmacy outreach program, to provide patients with information about their eligibility for pharmaceutical manufacturer patient assistance programs, assist health care providers in enrolling their patients in these programs, provide health care providers with opportunities to work with pharmaceutical manufacturer representatives to improve the programs and provide consultation with health care providers about the pharmacy outreach program. Under the bill, the Department may negotiate with pharmaceutical manufacturers to develop a simplified system to assist state residents in obtaining access to the pharmaceutical manufacturer patient assistance programs. Before March 1 of each year, the Department must submit a report to the Legislature and the Governor on the number of state residents who have benefited from pharmaceutical manufacturer patient assistance programs, the value of benefits provided by the programs, and other information that the Department determines is relevant.

Patient health care records can be released to state agencies to perform a legally authorized function such as program monitoring and evaluation. However, it should be noted that collecting performance-related information from the pharmaceutical companies would have to be done through a voluntary survey. The Department has no authority to mandate that pharmaceutical companies provide such information.

The total annual estimated fiscal effect of this bill is approximately \$932,400 GPR. In order to execute the mandated activities of the bill, it is estimated that the Department will require \$182,400 GPR annually to support a 1.0 FTE GPR Pharmacy Consultant, a 1.0 FTE GPR Program and Planning Analyst 5, and 0.5 FTE Program Assistant 2. In addition, it is estimated that the cost per eligible recipient of the program is \$3.00 for printing expenses, postage for direct mailing and other outreach activities. It is estimated that a statewide program would have at least 250,000 potential recipients. This would imply an estimated cost of \$750,000 GPR per year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3490/1		Introduction Number AB-898	
Subject			
Statewide prescription drug program			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$182,400	
	(FTE Position Changes)	(2.5 FTE)	
	State Operations - Other Costs	750,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$932,400	\$
B. State Costs by Source of Funds			
	GPR	932,400	
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$932,400	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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