

Fiscal Estimate - 2003 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 03-2659/3		Introduction Number AB-785	
Subject Require DHFS to establish Web site with info on average price of 50 most commonly prescribed drugs			
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div><input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><div style="display: flex; justify-content: space-between;"><div>3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div>4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div></div></div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>			

Fiscal Estimate Narratives

DHFS 2/26/2004

LRB Number	03-2659/3	Introduction Number	AB-785	Estimate Type	Original
Subject					
Require DHFS to establish Web site with info on average price of 50 most commonly prescribed drugs					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 785 requires the Department of Health and Family Services to provide a website that contains information on the highest, lowest, and average retail prices of each of the 50 prescription drugs that are most commonly prescribed in the state. The information shall be updated monthly and provided in writing to any person upon request.

When a pharmacist submits a drug claim for reimbursement under MA the pharmacist is required to report the usual and customary charge of the drug. This is required to ensure that a provider does not discriminate against Medicaid recipients by charging a higher fee for the service than is charged to a private pay patient. The price information is currently only used to process claims and has never been used to report the retail cost of drugs to the public.

Although the Department could identify the "Medicaid cost" of the most prescribed drugs under MA using public claims data, in order to determine the most commonly prescribed drugs in the state, DHFS would need access to both public and private claims data. The Department does not have access to private claims data. Neither the bill nor current law requires pharmacies or pharmacists to report retail price information on private claims to the state. Therefore, the Department would have to rely on a voluntary survey of pharmacies in the state to gather this information. It is unknown how many pharmacies would participate in the survey.

The total annualized fiscal effect of this bill is estimated to be \$64,700 GPR. In order to execute the mandated activities of the bill, it is estimated that the Department will require \$20,400 GPR annually and \$2,500 in one time costs to support a 0.5 FTE GPR Program and Planning Analyst. In addition, the costs associated with surveying the 1,221 pharmacies in Wisconsin monthly are estimated to be \$29,300 annually. Website maintenance, and printing and mailing hard copy reports is estimated to be approximately \$15,000 a year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject		
Require DHFS to establish Web site with info on average price of 50 most commonly prescribed drugs		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
\$2,500 GPR one-time costs for a 1.0 FTE programing and planning analyst.		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
<input type="checkbox"/> State Operations - Salaries and Fringes	\$17,300	
<input type="checkbox"/> (FTE Position Changes)		
<input type="checkbox"/> State Operations - Other Costs	47,400	
<input type="checkbox"/> Local Assistance		
<input type="checkbox"/> Aids to Individuals or Organizations		
<input type="checkbox"/> TOTAL State Costs by Category	\$64,700	\$
B. State Costs by Source of Funds		
<input type="checkbox"/> GPR	64,700	
<input type="checkbox"/> FED		
<input type="checkbox"/> PRO/PRS		
<input type="checkbox"/> 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
<input type="checkbox"/> GPR Taxes	\$	\$
<input type="checkbox"/> GPR Earned		
<input type="checkbox"/> FED		
<input type="checkbox"/> PRO/PRS		
<input type="checkbox"/> SEG/SEG-S		
<input type="checkbox"/> TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$64,700	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DHFS/ Curtis Cunningham (608) 266-5362		Fredi Ellen Bove (608) 266-2907
		2/26/2004