

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-2732/1	Introduction Number SB-255
-----------------------------	-----------------------------------

Description
 reimbursement of pharmacist services under the Medical Assistance program

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

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"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.435(4)(b) and 20.435(4)(o)

Agency/Prepared By	Authorized Signature	Date
DHS/ Angela Waltz (608) 266-5362	Andy Forsaith (608) 266-7684	4/23/2021

Fiscal Estimate Narratives

DHS 4/23/2021

LRB Number	21-2732/1	Introduction Number	SB-255	Estimate Type	Original
Description reimbursement of pharmacist services under the Medical Assistance program					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Wisconsin Medicaid program reimburses pharmacies for dispensing covered outpatient drugs to Medicaid members. Medicaid reimburses the pharmacy a professional dispensing fee plus the ingredient cost of the drug. In limited circumstances, the program reimburses pharmacies for other services, such as the administration of certain vaccines or medication therapy management.

This bill directs Medicaid to reimburse pharmacists for any service provided to a Medicaid enrollee that is within the scope of the pharmacist's license or that is delegated by a physician through a collaborative practice agreement. To implement the legislation, the Department would need to establish pharmacists as a new, separate provider category, define allowable services and service settings, set reimbursement rates for those services, and undertake a federal approval process, among other steps. According to the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics data, there were approximately 5,700 pharmacists in Wisconsin as of May 2020.

There are multiple uncertainties in attempting to determine the fiscal effect of this bill. It is unknown how many individual pharmacists would choose to enroll as Medicaid providers and begin billing for dispensing drugs, vaccine administration or other services within the scope of their license. It is also unknown the extent to which claims submitted by pharmacists would replace or be in addition to claims that would be submitted by pharmacies under current law or other licensed professionals. Similarly, it cannot be determined the volume of services to Medicaid members that physicians would delegate to pharmacists and whether those services would replace services that physicians would otherwise provide and seek reimbursement for. The Department would also need to decide whether the reimbursement rate structure for pharmacists would be equivalent or different from physician rates, which would also affect costs.

By establishing a new Medicaid provider category and allowing more providers to bill Medicaid for reimbursement, the bill will likely increase costs to the program. However, because of the uncertainties outlined above, a precise cost increase cannot be calculated, and the fiscal effect of the bill is indeterminate.

Long-Range Fiscal Implications