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FISCAL IMPACT REPORT

ORIGINAL DATE 3/9/09

SPONSOR Stewart LAST UPDATED _____ HM 80

SHORT TITLE Study Retiree Health Care Mail Order Drugs SB _____

ANALYST Archuleta

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Retiree Health Care Authority (RHCA)

SUMMARY

Synopsis of Bill

House Memorial 80 requests that the Retiree Health Care Authority (RHCA) investigate the feasibility of adding a mail-order program of importation of prescription drugs to the discount prescription drug program. The investigation will require that RHCA address any legal impediments as well as provide quantitative analysis of the potential costs savings associated with the implementing such a plan. The results of the investigation will be presented to an interim legislative health and human services committee at its November 2009 meeting.

FISCAL IMPLICATIONS

The Retiree Health Care Authority indicates that the investigation can be accomplished using existing resources and will not require any additional funding.

SIGNIFICANT ISSUES

The cost of brand name prescription drugs is prohibitively expensive for some New Mexico residents, with several of these drugs being taken over a long period of time to help manage chronic illness. Already a number of states have established initiatives to use an internet-based mail-order program allowing residents to import prescription drugs from Canada, the United Kingdom and Ireland. Currently, there are certain mail-order pharmacies that operate outside the

United States, in Canada and the United Kingdom that are able to provide a majority of name brand medications to U.S. citizens at a lower cost than what is paid in New Mexico in the retail setting.

RHCA supports the study of the inclusion of this benefit indicating the possibility of reducing prescription costs for retirees as well as ensuring the viability of the statutorily mandated Discount Prescription Drug Program.

RELATIONSHIP

Relates to House Bill 243 – Prescription Drug Reimportation

TECHNICAL ISSUES

The Memorial describes an initiative describing the importation of prescription drugs from Canada, the United Kingdom and Ireland. The Memorial then suggests that the majority of name brand medications taken by U.S. citizens can be obtained from mail-order pharmacies located in Canada and the United Kingdom.

OTHER SUBSTANTIVE ISSUES

According to Wisconsin officials, Wisconsin reported that between September 2004 and December 2004, 1,268 prescriptions were filled by Wisconsin residents by Canadian pharmacies. Between September 2008 and December 2008, only 32 prescriptions were filled for Wisconsin residents through the program.

DA/mt