

**NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.**

**Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.**

## FISCAL IMPACT REPORT

SPONSOR: HCPAC DATE TYPED: 03/15/01 HB 877/HCPACS  
 SHORT TITLE: Prescription Program Act SB \_\_\_\_\_  
 ANALYST: Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC files  
 Agency on Aging (AOA)

### SUMMARY

#### Synopsis of Bill

HB 877/HCPACS resolves that the Department of Health shall establish a voluntary statewide program to provide access to a variety of prescription medications at the lowest possible rate for certain residents of the State Subsidy Grants will be paid directly to participating insurers.

The Department of Health may adjust the requirements and terms of the program to ensure compliance with a new or existing federal prescription drug program. The Department of health shall report the Legislative Finance Committee recommended changes if a federal drug prescription program is enacted.

#### Significant Issues

The bill requires that the Department of Health include safeguards to ensure that participants have appropriate access to medically necessary medications even if pharmaceutical management programs are implemented. This substitute, in fact deleted the requirement for a formulary. It is difficult to understand how the program will effectuate any savings if any cost control programs are prohibited.

The AOA has pointed out that there are some issues connected to the eligibility requirements. Anyone over 60 is eligible, which does not track with medicare requirements. In addition the bill states that one must be “ineligible for medicaid or other prescription drug coverage” which includes almost everyone since most people are eligible, they just cannot afford prescription drug coverage.

**FISCAL IMPLICATIONS**

HB 877/HCPACS relies on private support and possible federal grants and support for funding. If the program is funded the Department of Health will most likely return to the legislature for operational funds. The bill in fact makes an appropriation, but does not in fact do so.

**ADMINISTRATIVE IMPLICATIONS**

HB will require staffing and support, but the Department of Health has no provided any specific information.

**TECHNICAL ISSUES**

HB 877/HCPACS adds “making an appropriation” to the title, but does not do so.

DW/ar