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FISCAL IMPACT REPORT



SPONSOR: Heaton DATE TYPED: 02/07/02 HB 334

SHORT TITLE: Prescription Drug Price Reporting SB _____

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	\$25.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 263

SOURCES OF INFORMATION

New Mexico Board of Pharmacy
 Human Services Department (HSD)
 Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 334 appropriates \$25.0 from the general fund to the Human Services Department. The bill would require prescription drug manufacturers to file with the Human Services Department (HSD) the average price paid by wholesalers for a specific drug and the actual price paid by each wholesaler for that drug. A prescription wholesaler would be required to file with HSD the actual price at which the wholesaler sells a particular drug to all pharmacists. HB 334, Section 2 would specify that any disclosure of the information acquired will not identify by name the specific manufacturer or wholesaler. HB 334, Section 3, would place the investigation and enforcement of the bill with the Attorney General's Office.

Significant Issues

There is no specific stated purpose for the information but it would be helpful in establishing the actual cost of drugs dispensed in New Mexico. It is reported that the actual cost of drugs is presently difficult to ascertain.

The bill states the Attorney General may take action to investigate and enforce the requirements of the act.

FISCAL IMPLICATIONS

The appropriation of \$25.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

HB 334 would require manual updating, as opposed to baseline pricing that is currently done automatically through First Data Bank. HB 334 would provide more accurate pricing data.

RELATIONSHIP

SB 263 is identical but without the \$25.0 appropriation.

MW/prt/njw:ar