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## FISCAL IMPACT REPORT

SPONSOR Picraux DATE TYPED 2/01/05 HB 366

SHORT TITLE Prescription Drug "Brown Bag Assessments" SB \_\_\_\_\_

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### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			Recurring	General Fund

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Aging and Long-Term Services Department (ALTSD)  
Pharmacy Board  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

HB 366 appropriates \$500 thousand from the general fund to ALTSD for FY06 to pay pharmacists to participate in "Brown Bag Assessments" and special events for assessments of individuals' prescription drug regimens.

#### Significant Issues

Through a Brown Bag Assessment program, pharmacists (or physicians) review participant's medications for drug therapy problems and ways to reduce prescription costs, including identification of therapeutic alternatives. This assessment usually includes prescription, as well as over-the-counter and natural remedies with the primary goal being to improve quality of life. The ALTSD reports that with the growing reliance on prescription drugs as a means of treatment; medication management and pharmacy clinical services become critical.

The ALTSD reports seniors and the disabled populations are paying the highest out-of-pocket costs for medications in New Mexico. HSD/MAD has data showing the 65+ Medicaid population receives an average 48 prescriptions per year, costing Medicaid more than \$1900/yr per 65+ Medicaid beneficiary. Seniors, without Medicaid or other health insurance with a prescription

drug benefit, struggle to pay for prescriptions whose costs are even higher than what Medicaid pays (approximately \$39.50 per Rx). As a result, many seniors “shop” prices from various sources and keeping track becomes an issue. Because of the multitude of sources and access to over-the-counter and natural remedies, clinical pharmacy services become a great resource of information about possible interactions, cost-effectiveness and appropriateness.

The DOH reports Brown Bag Assessments include tasks that pharmacist currently do with every new prescription under the New Mexico Board of Pharmacy regulations (NMAC 16.19.4 Section D-E). This regulation requires pharmacists to perform a Prospective Drug Review of the patient’s record and then provide counsel. The Pharmacy Act allows for alternative forms of patient information to be used to supplement patient counseling when appropriate. Examples include, but are not limited to, written information leaflets, pictogram labels and video programs. If pre-prescriptions are received through the mail, counseling must be offered in writing to patients.

In 2001 HJM 22 requested the Health Policy Commission conduct a study from which an advisory committee was formed to examine the impact of rising prescription drug costs on New Mexico residents. One recommendation reported “The committee believed educating consumers on medications they were taking is crucial to assure optimal health benefits while recognizing that pharmacists often did not have sufficient time to provide the necessary consultation.” (p. 30, HPC HJM 22 report, October 2002).

In 2002 SJM 23 directed the SAoA (now ALTSD) in coordination with the New Mexico Pharmacy Association, New Mexico Medical Society, New Mexico Nursing Association and St. Vincent’s Hospital to develop and implement a “Brown Bag Assessment” to assess the appropriateness and cost-effectiveness of medications being taken by seniors. SJM 23 directed the participants to explore appropriate incentives to ensure full and active participation by pharmacists, physicians and other prescribing health care providers, including mechanisms to identify participants in this program. Six Brown Bag Events were conducted in metropolitan areas of New Mexico and proved successful. Pharmacists, retired pharmacists, students of pharmacy, and HIBAC volunteers from the SAoA (now ALTSD) were on hand to screen and counsel individuals. HB 366 and its funding would allow the ALTSD and participating pharmacists to deliver the same services statewide.

## **PERFORMANCE IMPLICATIONS**

SB 366 supports the ALTSD’s proposed Aging and Disability Resource Center’s efforts to provide information, education and direct assistance to elderly consumers.

## **FISCAL IMPLICATIONS**

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

Appropriation request was not in the agencies budget request reviewed by LFC in 2004.

The ALTSD suggests reproducing the “Iowa Model” of coupon reimbursement. This coupon would be available to seniors to take to their pharmacists to receive clinical services. In turn, the pharmacists would submit the coupons to the administering entity for reimbursement or rebates.

The ALTSD believes individuals in rural settings with limited access to services would greatly benefit from such pharmacy clinical services.

### **ADMINISTRATIVE IMPLICATIONS**

The ALTSD anticipates no additional staff requirements to implement program as appropriation would go through ALTSD to a qualified entity to design the project, collect documentation for reimbursements and pay reimbursement requests.

The Board of Pharmacy oversees the practice of pharmacy and would oversee the pharmacists involved in this program. The Brown Bag Assessment typically incorporates pharmacy students to help with the assessments. HB 366 does not include a provision for pharmacy interns.

### **TECHNICAL ISSUES**

AMENDMENT proposed to Section 1, line 20, to add "...over-the-counter and natural remedies..." to "...assessments of individual's prescription drug regimens, over-the-counter and natural remedies, ...". Over-the-counter and natural remedies can also be contra-indicated, depending upon the medication regimen.

### **OTHER SUBSTANTIVE ISSUES**

A study by the University of Iowa on Brown Bag Assessments completed in 2002 showed that Iowa pharmacists suggested discontinuation of a medication for 7.9 percent of the participants receiving a Brown Bag Assessment. When analyzing the data from the study, researchers found that individuals who received a medication assessment were mostly female, an average age of 77 and taking more than five medications. One-third of the individuals to receive an assessment (532) people had at least one potential patient safety issue identified; these individuals tended to take more medications and have chronic medical conditions such as asthma, diabetes, high blood pressure or high cholesterol. Among the 858 total patient safety issues analyzed, 353 were due to drug interactions and 129 were due to drug duplication. Non-prescription medications accounted for at least one-third of these patient safety issues.

### **ALTERNATIVES**

Pursuing the school of pharmacy at the University of New Mexico to recruit and train student pharmacy interns; giving them credit for clinical time. Retired pharmacists might also want to donate time for community service efforts.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Seniors would continue to have limited resources to help them address cost savings or possible interactions from multiple prescriptions, over-the-counter and natural remedies.

High hospital admissions among the chronically ill as a result of not taking medications correctly, or the interactions between prescription drugs, as well as over-the-counter or natural remedies.