

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1040-06
Bill No.: SCS for HCS for HB 538
Subject: Health Care; Pharmacy; Drugs and Controlled Substances; Liability; Health Care Professionals
Type: Original
Date: May 5, 2015

Bill Summary: This proposal allows pharmacists and pharmacy technicians to sell and dispense opioid antagonists.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Up to \$961,197)	(Up to \$96,169)	(Up to \$96,169)
Total Estimated Net Effect on General Revenue	(Up to \$961,197)	(Up to \$96,169)	(Up to \$96,169)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

* Income and expenses net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to the introduced version of this proposal, the following responses were provided:

Officials from the **Department of Social Services (DSS), MO HealthNet Division (MHD)** stated this proposal allows a physician to prescribe an opioid antagonistic drug and appropriate device to administer the drug to an individual to administer, in good faith, to an individual suffering from an opioid-related drug overdose. The proposal permits an individual to possess an opioid antagonist.

Participants with a diagnosis of opioid abuse or opioid dependence would be eligible to receive this opioid antagonistic drug/device. This drug/device would be covered if it met the MHD criteria that would promote appropriate utilization of the drug.

MHD assumed that there would be a 50% utilization of this drug for participants with an opioid abuse/opioid dependence diagnosis.

There are currently 9,116 MHD participants who have a diagnosis of opioid abuse or opioid dependence. MHD assumed that 50% (4,558) of the participants would receive the opioid antagonistic in the first year. The current cost of the drug is \$575, so the impact in the first year would be \$2,620,850 (\$961,197 GR; \$1,659,653 Federal).

In subsequent years, MHD assumes an additional 456 opioid antagonistic drug/devices (10% X 4,558) would be prescribed. This count multiplied by the cost of \$575 provides an ongoing cost of \$262,200 (\$96,169 GR; \$166,031 Federal) annually.

Oversight notes this current substitute defines opioid antagonist as “any intranasal or auto-injector administered naloxone...” Based on DSS’ response to the HCS for HB 538 (LR 1040-05), the intranasal form of this drug has not been approved by the U. S. Food and Drug Administration (FDA), is not rebatable, is not on the drug formulary, and is not covered under MO HealthNet.

ASSUMPTION (continued)

Therefore, **Oversight** assumes the costs of this proposal will be up to the \$961,197 in General Revenue (GR) costs reported by DSS for FY 2016; and up to \$96,169 in GR for each FY 2017 and 2018. Oversight further assumes federal income and expenses will also be up to the amounts provided by DSS in response to the introduced version of this bill; \$1,659,653 for FY 2016; and, \$166,031 for each FY 2017 and 2018. Income and expenses will net to \$0.

Officials from the **Cole County Sheriff's Office** indicate the cost of this proposal would be very low. It involves a training model for Deputies.

Oversight assumes "very low" costs to be absorbable by the Cole County Sheriff's Office.

Officials from the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Public Safety**, **Missouri State Highway Patrol**, the **Missouri Department of Conservation**, the **Office of Administration**, **Division of General Services**, the **Office of State Courts Administrator**, the **Boone County Sheriff's Department**, the **Springfield Police Department**, and **Central County Fire & Rescue** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the following **law enforcement agencies**: Buchanan County Sheriff's Department, Clark County Sheriff's Department, Columbia Police Department, Independence Police Department, Jackson County Sheriff's Department, Jefferson City Police Department, Jefferson County 911 Dispatch, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Police Department and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **ambulance districts**: Jefferson County 911 Dispatch, St. Charles County Ambulance District, Taney County Ambulance District and Valle Ambulance District did not respond to **Oversight's** request for a statement of fiscal impact.

Officials from the following **fire protection districts**: Battlefield Fire Protection District, Centralia Fire Department, Creve Couer Fire District, DeSoto Rural Fire Protection District, Eureka Fire Protection, Hawk Point Fire Protection District, Hillsboro Fire Protection District, Jefferson County 911 Dispatch, Lake St. Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Saline Valley Fire Protection District and the Southern Iron County Fire Protection District did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND (§§195.206 and 338.205)			
<u>Costs - DSS-MHD</u>			
Increase in drug costs	<u>(Up to \$961,197)</u>	<u>(Up to \$96,169)</u>	<u>(Up to \$96,169)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND			
	<u>(Up to \$961,197)</u>	<u>(Up to \$96,169)</u>	<u>(Up to \$96,169)</u>
FEDERAL FUNDS (§§195.206 and 338.205)			
<u>Income - DSS-MHD</u>			
Reimbursement for increase in drug expenditures	Up to \$1,659,653	Up to \$166,031	Up to \$166,031
<u>Costs - DSS-MHD</u>			
Increase in drug expenditures	<u>(Up to \$1,659,653)</u>	<u>(Up to \$166,031)</u>	<u>(Up to \$166,031)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>			
	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may impact small business pharmacies.

FISCAL DESCRIPTION

This proposal allows any licensed pharmacist or pharmacy technician in Missouri to sell and dispense an opioid antagonist under physician protocol to any person who is at least eighteen years of age with a valid Missouri identification card or driver's license. The licensed pharmacist or pharmacy technician shall record the date of sale, the identification number of the dispensed drug, and the name, address, and date of birth of the person receiving the opioid antagonist.

A licensed pharmacist or pharmacy technician who, acting in good faith and with reasonable care, sells or dispenses an opioid antagonist and appropriate device to administer the drug and the protocol, shall not be subject to any criminal or civil liability or any professional disciplinary action for prescribing or dispensing the opioid antagonist.

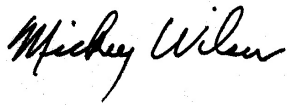
The term opioid antagonist means any intranasal or auto-injector administered naloxone that binds to opioid receptors and blocks or disinhibits the effects of opioids acting on those receptors.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Public Safety -
 Missouri State Highway Patrol
Department of Social Services -
 MO HealthNet Division
Missouri Department of Conservation
Office of Administration -
 General Services Division
Office of State Courts Administrator
Boone County Sheriff's Department
Cole County Sheriff's Office
Springfield Police Department
Central County Fire and Rescue

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
May 5, 2015

Ross Strobe
Assistant Director
May 5, 2015