

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 436** HLS 15RS 1296
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 12, 2015 8:30 AM	Author: JOHNSON, R.
Dept./Agy.: Department of Health and Hospitals, Board of Pharmacy	Analyst: Alan M. Boxberger
Subject: Provides for insurance reimbursement of certain fees	

INSURANCE/HEALTH OR +\$8,848,765 SD RV See Note Page 1 of 1
 Provides for insurance reimbursement of certain provider fees paid by pharmacies

Present law allows for the Department of Health and Hospitals to impose a fee of up to \$0.10 per prescription for prescription services provided by the Medicaid program.

Proposed law increases the maximum fee to \$0.20 per prescription; requires health insurance issuers to reimburse pharmacies or pharmacists for the payment of the fee when the pharmacy or pharmacist makes a claim for reimbursement of the fee; and makes any payor administering health benefits and licensed by the Louisiana Board of Pharmacy responsible for the payment of the fees to the Department of Health and Hospitals.

EXPENDITURES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						
REVENUES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$8,848,765	\$8,981,496	\$9,116,218	\$9,252,991	\$9,391,785	\$45,591,255
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$8,848,765	\$8,981,496	\$9,116,218	\$9,252,991	\$9,391,785	\$45,591,255

EXPENDITURE EXPLANATION

The Louisiana Department of Health and Hospitals (DHH) reimburses the Medicaid Pharmacy Provider Fees under current practice. Proposed law will enable additional expenditures from the Louisiana Medical Assistance Trust Fund, which will in turn generate additional draw down of federal match dollars when expended.

REVENUE EXPLANATION

Present law authorizes DHH to adopt and impose fees for healthcare services provided by the Medicaid program on every nursing facility, intermediate care facility for individuals with developmental disabilities, every pharmacy in the state and certain out-of-state pharmacies, dispensing physicians, and medical transportation providers. The amount of any fee shall not exceed the total cost to the state of providing the healthcare service subject to such fee.

Proposed law increases fees per out-patient prescription, per out-patient out-of-state prescription, and per out-patient prescription dispensed by dispensing physicians from \$0.10 to \$0.20.

DHH anticipates an increase in revenues of approximately \$0.10 per transaction on all prescriptions, Medicaid and non-Medicaid. The projected first year revenue impact is an increase of \$8,848,756 in provider fees anticipated to be deposited into the Louisiana Medical Assistance Trust Fund. DHH assumes a 1.5% revenue growth in the out years.

NOTE 1: There are currently 1,933 pharmacies licensed by the La Board of Pharmacy. Of this number, 1,459 are located within the state (including hospital pharmacies) and 474 are located outside the state but legally permitted to dispense out-patient prescriptions to Louisiana residents.

NOTE 2: The Louisiana Board of Medical Examiners reports that there are approximately 460 dispensing physicians practicing in the state and that approximately 200 of this number would be impacted by proposed law.

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| Senate | <u>Dual Referral Rules</u> | House |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

Evan Brasseaux

Evan Brasseaux
 Staff Director