

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2951-01
BILL NO.: HB 1199
SUBJECT: Public Health; Medical Procedures and Personnel; Pharmacy
TYPE: Original
DATE: January 17, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$70,000 to \$2,320,000)	(\$71,750 to \$2,321,750)	(\$73,544 to \$2,323,544)
Total Estimated Net Effect on <u>All</u> State Funds	(\$70,000 TO \$2,320,000)	(\$71,750 TO \$2,321,750)	(\$73,544 TO \$2,323,544)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health** and the **Department of Social Services** assume this proposal would not fiscally impact their agencies.

Coordinating Board For Higher Education (CBHE) officials state they are not directly involved in the administration of the kidney program and would not realize fiscal impact from the proposal. However, they assume there would be a fiscal impact to the University of Missouri with increased administrative requirements and new patient costs. The administrative costs would likely range from \$60,000 to \$100,000, with additional costs on a per patient basis. It is unknown how many patients would participate.

Officials from the **University of Missouri (UM)** assume a basic program, which would provide no drugs to patients, would cost \$70,000 per year. This would allow eligible patients who meet a means test to have access to pharmacy pricing through UMs contract pharmacy provider. If they provided drugs to eligible low-income transplant patients, UM officials estimated an additional annual cost of approximately \$1.75 million. If they also assisted patients by paying for any and all private insurance that patients might be eligible for (thereby shifting some of the cost burden to the private sector insurance), they estimated an additional annual cost of about \$500,000. The **Oversight** has ranged the costs from lowest end of the range to include administrative costs, to the highest end of the range to include providing drugs (\$1.75 million) and patient assistance (\$500,000).

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs - University of Missouri

Administrative costs	(\$70,000)	(\$71,750)	(\$73,544)
Drugs	\$ 0 to (\$1,750,000)	\$ 0 to (\$1,750,000)	\$0 to (\$1,750,000)
Patient assistance	<u>\$ 0 to (\$500,000)</u>	<u>\$0 to (\$500,000)</u>	<u>\$0 to (\$500,000)</u>
Total <u>Costs</u> - University of Missouri	<u>(\$70,000 to \$2,320,000)</u>	<u>(\$71,750 to \$2,321,750)</u>	<u>(\$73,544 to \$2,323,544)</u>

ESTIMATED NET EFFECT ON

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND	<u>(\$70,000 TO</u> <u>\$2,320,000)</u>	<u>(\$71,750 TO</u> <u>\$2,321,750)</u>	<u>(\$73,544 TO</u> <u>\$2,323,544)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would establish a separate organ transplant program to be administered by the Missouri Kidney Program in the University of Missouri. This program would provide assistance for immunosuppressive medications and other services for other organ transplant patients. The Missouri Kidney Program would establish program guidelines and eligibility requirements and will coordinate its efforts with the divisions of Family Services and Medical Services in the Department of Social Services for the effective operation of the organ transplant program.. Funds available for the organ transplant program would be primarily used for providing pharmaceutical services. If other funds become available, other services for the treatment of organ transplant patients may be provided.

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

MPW:LR:OD:005 (9-94)

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Department of Social Services
Coordinating Board on Higher Education
University of Missouri

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 17, 2000