

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1668-01  
Bill No.: HB 821  
Subject: Health Care; Health, Public; Medical Procedures and Personnel  
Type: Original  
Date: March 12, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
University of Missouri	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Insurance**, the **Missouri Consolidated Health Care Plan**, and the **Department of Conservation** assume this proposal would not fiscally impact their agencies.

**Department of Social Services (DOS) - Division of Family Services (DFS)** state they currently determine Medicaid eligibility on all referrals from the Missouri Kidney Program. DFS assumes that this process would remain unchanged if this proposal were enacted. DFS further assumes that the Missouri Kidney Program would receive the “administrative fee” for operational costs associated with providing immunosuppressive pharmaceuticals to eligible organ transplant patients. Additionally, DFS assumes that the number of new Medicaid eligibles related to the passage of this proposal would be negligible. DFS assumes that the enactment of this proposal would result in a zero fiscal impact for the DFS.

**DOS - Division of Medical Services (DMS)** officials assume there would be no fiscal impact to DMS. DMS assumes that the proposal does not create a new Medicaid eligibility population.

Officials from the **University of Missouri (UM)** estimates that 100 to 200 patients per year could utilize a significant discount in the out of pocket purchase of immunosuppressive drugs. UM assumes an average out of pocket expense of approximately \$12,000 per year. UM states that on average they would estimate that they could save patients twenty-five percent off of the average cost at most commercial pharmacies by utilizing the purchasing power of their centralized pharmacy. UM believes that this \$3,000 ( $\$12,000 \times 25\%$ ) per year saving would be beneficial to most, if not all, patients. UM states that it would be reasonable to request a ten percent “co-pay” for access to this service; thus, ten percent of \$3,000 in savings would result in \$300 per patient as an annual co-pay. If there were 100 patients willing to utilize this service, it would generate \$30,000 per year which should be adequate to fund a part-time position to administer the program in a fair and timely fashion. UM states if additional state funds become available, UM would be able to provide drugs.

**Department of Transportation and Department of Public Safety - Missouri State Highway Patrol** officials did not respond to our fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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**UNIVERSITY OF MISSOURI**

Income - University of Missouri

Fees for co-pays	\$30,000	\$30,000	\$30,000
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Cost - University of Missouri

Administrative costs	(\$30,000)	(\$30,000)	(\$30,000)
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ESTIMATED NET EFFECT ON  
 UNIVERSITY OF MISSOURI

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

	FY 2002 (10 Mo.)	FY 2003	FY 2004
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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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 would 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. Patients who receive assistance as new participants in the Missouri Kidney Program would be required to pay administrative costs associated with their participation in the program. Funds available for the organ transplant program would primarily be used for providing pharmaceutical services. If additional funds would be 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 Insurance  
Missouri Consolidated Health Care Plan  
Department of Conservation  
Department of Social Services  
    Division of Family Services  
    Division of Medical Services  
University of Missouri

**NOT RESPONDING: Department of Transportation and Department of Public Safety -  
Missouri State Highway Patrol**



Jeanne Jarrett, CPA  
Director

March 12, 2001