

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING REIMBURSEMENT FOR PHARMACISTS' SERVICES UNDER THE MEDICAL ASSISTANCE ACT.

Prime Sponsors: Reps. Lontine and Will
Sens. Ginal and Kirkmeyer

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Date Prepared: May 20, 2021

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Significant Cost Increase in Second Year

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/11/2021.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.002/J.002	Bill Sponsor amendment - changes fiscal impact <i>and</i> appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$177,924 from the General Fund to the Department of Health Care Policy and Financing for FY 2021-22. This provision also states that the appropriation is based on the assumption that

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the Department will require an additional 1.6 FTE and the Department will receive \$944,292 federal funds to implement the act.

L.002 and J.002

Bill Sponsor amendment **L.002** (attached):

- Restricts the eligible services to those authorized in Part 6 of Article 280 of Title 12, which deals with collaborative pharmacy practices, thereby reducing the estimated number of participating pharmacies;
- Prohibits payments that duplicate other Medicaid pharmacist services or programs, which removes medication therapy management services from the scope of the bill, since the Department has an existing medication therapy management program;
- Replaces a requirement that rates be equivalent to those paid to a physician or advanced practice nurse for the same services with a requirement that the Department review the rates, causing the Department to assume reimbursement will be 80 percent of rates for physicians and other healthcare professionals; and
- Includes services provided by clinical pharmacists through a Federally Qualified Health Center, which increases estimated service costs to implement the bill.

The table below summarizes the Legislative Council Staff and Joint Budget Committee Staff estimate of the fiscal impact of H.B. 21-1275 with amendment L.002.

FISCAL IMPACT OF H.B. 21-1275 WITH L.002					
	TOTAL FUNDS	GENERAL FUND	HAS FEE	FEDERAL FUNDS	FTE
FY 2021-22					
Personal Services	\$149,694	\$74,847	\$0	\$74,847	1.6
Operating Expenses	14,830	7,415	0	7,415	0.0
Medicaid Management Information Systems	957,960	95,796	0	862,164	0.0
Medical Services Premiums	598,572	158,039	36,457	404,076	0.0
Total FY 2021-22	\$1,721,056	\$336,097	\$36,457	\$1,348,502	1.6
FY 2022-23					
Personal Services	\$179,634	\$89,817	\$0	\$89,817	2.0
Operating Expenses	2,700	1,350	0	1,350	0.0
Medicaid Management Information Systems	196,000	49,000	0	147,000	0.0
Medical Services Premiums	3,766,065	994,341	229,376	2,542,348	0.0
Total FY 2022-23	\$4,144,399	\$1,134,508	\$229,376	\$2,780,515	2.0

Staff has prepared amendment **J.002** (attached) to add a provision making the appropriations summarized in the table above that would be consistent with the fiscal impact of the bill with L.002.

The Appropriations Committee should adopt either J.001 or L.002 and J.002.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill requires a General Fund appropriation of \$177,924 for FY 2021-22 (\$336,097 with L.002), reducing the \$48.0 million set aside by the same amount.

Future Fiscal Impact

The estimated fiscal impact increases to \$7,522,930 total funds, including \$2,291,944 General Fund, in FY 2022-23 and \$9,904,462 total funds, including \$3,009,203 General Fund, in FY 2023-24. If L.002 is adopted there is still a significant increase in the second year, but the cost will be \$4,144,399 total funds, including \$1,134,508 General Fund.