

HF1203 - 0 - "Prescription Eye Drop Refill Coverage Reqs"

Chief Author: **Tony Albright**
 Committee: **State Government Finance**
 Date Completed: **03/06/2017**
 Lead Agency: **Health Dept**
 Other Agencies:
 Commerce Dept Human Services Dept
 Minn Management and
 Budget

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
Minn Management and Budget	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-
State Total	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total	-	-	-	-	-	-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Minn Management and Budget	-	-	-	-	-
General Fund	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-

Lead Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Paul Moore Date: 03/06/2017
 Phone: 651 259-3776 Email: paul.b.moore@state.mn.us

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
Minn Management and Budget	-	-	-	-	-
General Fund	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Minn Management and Budget	-	-	-	-	-
General Fund	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
2 - Revenues, Transfers In*					
Minn Management and Budget	-	-	-	-	-
General Fund	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

HF1203 - 0 - "Prescription Eye Drop Refill Coverage Reqs"

Chief Author: **Tony Albright**
 Committee: **State Government Finance**
 Date Completed: **03/06/2017**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Paul Moore Date: 3/3/2017 11:15:11 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill enacts section 62A.3095, which requires that all health plans providing coverage to Minnesota residents (as defined by 62A.011, subdivision 3) covers refills for prescription eye drops upon request, if the request is made within specified time periods, and the prescribing practitioner indicates on the original prescription that additional quantities would be needed. The total number of refills that will be covered is subject to a limit.

The bill does not contain an appropriation.

Assumptions

We assume that this bill will require our quality assurance auditors to revise their audit tools and file review worksheets to accommodate the new provisions. Auditors will also have to inform plans of additional requirements. This work will occur only in the first year. Also in the first year, auditors will have to be more rigorous in their examination of plan procedures. These first-year requirements are estimated to take one auditor one half hour. After the first year, auditors will have to review these provisions in each health plan’s policies and procedures during quality assurance audits and review pharmacy utilization management denials files for additional provisions. These new requirements result in a infidecimal amount of additional staff time.

We assume that during the first year, our existing health plan analyst will have to review plans for all HMOs and CBPs to ensure that they have made any modifications necessary to comply with the bill. We estimate that this will take approximately 5 hours and a infidecimal amount of additional staff time over the course of the year.

We do not anticipate receiving many complaints as a result of this bill. A small number of complaints, however, will not result in measureable change in workload.

We assume that implementing this bill will not require any time from management or administrative support beyond regular duties.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

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HF1203 - 0 - "Prescription Eye Drop Refill Coverage Reqs"

Chief Author: **Tony Albright**
 Committee: **State Government Finance**
 Date Completed: **03/06/2017**
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Marianne Conboy Date: 3/3/2017 5:14:16 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This bill requires health plans that provide coverage to Minnesota residents and that provide coverage for prescription eye drops to cover a refill of a prescription if requested by the insured, the prescribing practitioner indicated that additional refills are allowed, and the refill requested does not exceed the number of additional quantities needed.

Assumptions

Commerce assumes no cost due to this bill. Commerce assumes current staff will review and approve any form filing modifications made by health insurers to comply with this requirement.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency Contact:

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HF1203 - 0 - "Prescription Eye Drop Refill Coverage Reqs"

Chief Author: **Tony Albright**
 Committee: **State Government Finance**
 Date Completed: **03/06/2017**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2017	FY2018	FY2019	FY2020	FY2021
Total	-	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Ahna Minge Date: 3/6/2017 10:36:56 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This legislation changes health plan coverage requirements for prescription eye drops.

Assumptions

The bill applies new coverage requirements for prescription eye drop refills. Specifically, the bill prohibits health plans from denying coverage for prescription eye drop refills when the request is received from a pharmacy between 21 and 30 days from the last refill for a 30 day supply or between 75 and 90 days from the last refill for a 90 day supply.

This new requirement may change the intervals between prescription eye drop refills and impact the timing of provider payments between pharmacies and health plans serving Medical Assistance or MinnesotaCare program recipients. This change is limited to prescription eye drops and is not expected to change overall utilization. This fiscal note assumes no impact to health plan capitation rates paid by DHS to its contracted health plans.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Patrick Hultman (651) 431-4311

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HF1203 - 0 - "Prescription Eye Drop Refill Coverage Reqs"

Chief Author: **Tony Albright**
 Committee: **State Government Finance**
 Date Completed: **03/06/2017**
 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-	-
All Other Funds	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
All Other Funds	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Laura Logsdon Date: 2/27/2017 12:41:43 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund		-	-	-	-	-
All Other Funds		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	-	-	-
All Other Funds		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
All Other Funds		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

HF1203 would modify when refills can be requested at a retail pharmacy or by mail order for certain types of prescription eye drops.

Assumptions

MMB administers the State Employee Group Insurance Program (SEGIP) which provides health, dental, life and other benefits to eligible State employees and their dependents, and other groups such as quasi-state agencies under the legislative authority provided in Minnesota Statutes 43A. Health benefits are provided through the self-funded Minnesota Advantage Health Plan. SEGIP has a contract with a pharmacy benefit manager (PBM) to administer the prescription drug benefit.

The Minnesota Advantage plan currently provides prescription eye drop coverage to its members through retail pharmacies and by mail order. Prescriptions requested through retail pharmacies are available in 30 day and 90 day supplies; prescriptions requested by mail order are available with a 90 day supply. When requested through a retail pharmacy, the Advantage plan currently accepts refill requests when made between 21 and 30 days for a 30 day supply and between 68 and 90 days for a 90 day supply. When requested by mail order, a 90 day supply can be refilled between 45 and 90 days. With the Advantage plan's current prescription drug refill benefit being in compliance with the proposed legislation, MMB would not expect a financial impact.

Expenditure and/or Revenue Formula

Not Applicable.

Long-Term Fiscal Considerations

Not Applicable.

Local Fiscal Impact

Not Applicable.

References/Sources

Program information from SEGIP, administered through MMB

Agency Contact: Julie Sonner 651-259-3732

Agency Fiscal Note Coordinator Signature: Ruth McGlynn

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