

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6885

BILL NUMBER: HB 1109

NOTE PREPARED: Dec 26, 2020

BILL AMENDED:

SUBJECT: INSPECT Program Reporting.

FIRST AUTHOR: Rep. Bartels

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill amends the definition of "prescription" for purposes of electronically transmitted prescriptions for controlled substances. The bill provides that a dispenser who is also authorized to prescribe ephedrine, pseudoephedrine, or a controlled substance is required only to report to the Indiana Scheduled Prescription Electronic Collection and Tracking (INSPECT) program actual dispensations within 24 hours of the dispensation. The bill also voids a rule that prohibits the transfer of Schedule II controlled substance prescriptions.

Effective Date: July 1, 2021.

Explanation of State Expenditures: *Summary - INSPECT:* The bill adds clarifying language regarding the duty of pharmacists with prescribing authority to report dispensations to INSPECT, but does not change the reporting requirements for these pharmacists. Therefore, the Board of Pharmacy and Professional Licensing Agency are not expected to be impacted by this provision.

Transfer of Prescriptions: The bill voids administrative rules that prohibit Schedule II controlled substances from being transferred from one pharmacy to another. The state Medicaid, Children's Health Insurance Plan (CHIP), and state employee health plans could potentially see additional pharmacy benefit claims to the extent that the removal of this restriction results in additional prescriptions being filled. This impact is expected to be minimal. Additionally, the Professional Licensing Agency and Board of Pharmacy may experience additional workload to amend existing rules to regulate the transfer of Schedule II drugs, as well as to notify licensed pharmacists of these changes. These activities are expected to be accomplished within existing resources and regularly scheduled meetings.

Additional Information -

Medicaid and CHIP: Medicaid and CHIP are jointly funded between the state and federal governments. The standard state share of costs for most Medicaid medical services for FFY 2021 is 34%, or 10% for the age 19 to 64 expansion population within the Healthy Indiana Plan. The standard state share of CHIP costs is 24%. The state share of administrative costs is 50%. Under federal COVID-19 relief legislation, the state share of costs is decreased to 28% for traditional Medicaid enrollees and 20% for CHIP enrollees for the duration of the federally declared public health emergency.

State Employee Health Plans: Costs for the state health plans are shared between the state and state employees covered by the plan as determined in the plans' designs, including premiums, coinsurance, copayments, and deductibles. An increase in premiums cost may be mitigated with adjustments to other benefits or to employee compensation packages, or through the division of premium costs between the state and state employees.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill potentially impacts local units of government that offer health insurance coverage for employees. Added local health coverage costs may be mitigated with adjustments to other benefits or to the total employee compensation packages, or through the division of costs between the local unit and employees. Any impact as a result of this bill is expected to be minimal.

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency, Board of Pharmacy; State Personnel Department; Family and Social Services Administration.

Local Agencies Affected: Local government units offering employee health plans.

Information Sources:

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