



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 296** SLS 22RS 475
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2022	9:07 AM	Author: BARROW
Dept./Agy.: LDH/Medicaid		
Subject: pharmacy services		Analyst: Shawn Hotstream

MEDICAID EG INCREASE GF EX See Note Page 1 of 1
 Provides relative to pharmacist clinical services in Louisiana's medicaid program. (gov sig)

Proposed law provides Medicaid reimbursement for Pharmacy Clinical Services.

Proposed law changes the definition of Federally Qualified Health Center (FQHC) and Rural Health Center (RHC) by adding pharmacist as a new provider type in these facilities.

Proposed law further provides the pharmacist must furnish services via tele health or in person in the pharmacy, office, home, walk-in retail health clinic, FQHC, RHC, skilled nursing facility, assisted living facility, or other place of service.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0					\$0

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

Authorizing Medicaid reimbursement for pharmacy clinical services is anticipated to significantly increase Medicaid expenditures annually. Proposed measure authorizes Medicaid reimbursement for pharmacy clinical services in various settings, including FQHC's and RHC's. The fiscal impact is indeterminable as this measure does not clearly define the clinical services that will be reimbursable, nor a reimbursement methodology (rate). However, based on assumptions by LDH that this measure will provide coverage for at least two specific services, this measure may increase annual expenditures by a minimum of \$8 M in FY 24, increasing to approximately \$12 M in FY 27 (15% annually thereafter). The assumptions and calculations are reflected below:

1. At least two identifiable services eligible for reimbursement under this measure, which include 1) Medication Therapy Management (MTM), and Collaborative Drug Therapy Management (CDTM)
2. Approximately 91,000 Medicaid members projected eligible for MTM; approximately 560,000 projected eligible for CDTM
3. 20% of those eligible for MTM projected to receive the service in FY 24; 10% of those eligible for CDTM projected to receive the service in FY 24 (to the extent utilization is greater than projected, program costs will increase)
4. Average billable rate of \$55.99 (based on rate for nurse practitioner) per visit
5. 10% growth in utilization per year
6. Reimbursement for services begin in FY 24

Note: The total state exposure (cost) under this measure will ultimately depend on the specific "pharmacist clinical services" that will be authorized to be reimbursed by Louisiana Medicaid. Presumably, the department will define the specific services through the rule making process.

REVENUE EXPLANATION

The Statutory Dedication revenue increase reflected in the revenue table above is generated as a result of a projected increase in managed care premiums by including clinical pharmacist services in managed care rates.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer