

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 296** SLS 22RS 475

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 6, 2022	8:24 AM	<b>Author:</b> BARROW
<b>Dept./Agy.:</b> LDH/Medicaid		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> pharmacy services		

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

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 provides Medicaid reimbursement for Pharmacy Clinical Services.

Proposed law provides requires pharmacist to be credentialed in a provider network of a managed care organization to which the provider intends to submit claims for Medicaid services. 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.

Proposed law requires the department to implement a credentialing process for the Medicaid pharmacist clinical services program.

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

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

**EXPENDITURE EXPLANATION**

Authorizing Medicaid reimbursement for pharmacy clinical services is anticipated to significantly increase Medicaid expenditures annually. Proposed measure creates a new provider type and 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, this measure may increase annual expenditures by approximately \$31 M in FY 23, increasing 15% annually thereafter. The assumptions and calculations are reflected below:

- 30% of Medicaid enrollees receiving services in FQHC/RHC and Medicaid enrollees with a primary care visit will access clinical pharmacy services - estimate 1 unit of service per year.
- Average billable rate of \$55.99 (based on rate for nurse practitioner) per visit
- 15% growth in utilization per year
- FQHC/RHC visits in FY23 - 154,310; Other provider visits (non FQHC/RHC) in FY 23 - 399,707  
Total number of visits (554,017) \* Estimated rate (\$55.99) = \$31,019,411

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**