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FISCAL IMPACT REPORT

SPONSOR: Feldman DATE TYPED: 01/31/01 HB _____
 SHORT TITLE: Prescription Drug Bulk Purchasing Act SB 144
 ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 200.0			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 140, SB 141, SB 142 and SB 143.

SOURCES OF INFORMATION

Agency on Aging
 Children, Youth and Families Department
 Office of the Attorney General

No response

Department of Health

SUMMARY

Synopsis of Bill

SB 144 appropriates \$200,000 in FY 02 to the Department of Health to implement the Prescription Drug Bulk Purchasing Act. The purpose of establishing the agreements is through economy of scale and negotiations, to obtain the most favorable and competitive discounted prices and rebate agreements available for prescription drugs. SB 144 also creates a “prescription drug bulk purchasing advisory committee” consisting of state agencies, consumers, consumer advocates and providers. The Department of Health shall prepare annual reports evaluating the bulk purchasing agreements, demand, formularies, and recommendations and conclusions. The report shall be presented to the advisory committee and the Legislature each year.

Significant Issues

The Office of the Attorney General states that the exemption from the Procurement Code is unnecessary to achieve the legislative intent and that it undercuts the legislative policies expressed in the Procurement Code and increases the opportunity for financial abuse.

FISCAL IMPLICATIONS

SB 144 appropriates \$200.0 to the Department of Health from the general fund for FY02 to facilitate the drug bulk purchasing program. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

The Department of Health will have to staff and support the prescription drug bulk purchasing committee.

RELATIONSHIP

SB 144 relates SB 140, SB 141, SB 142 and SB 143

DW/sb/njw