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FISCAL IMPACT REPORT

SPONSOR: Hurt DATE TYPED: 3/3/03 HB _____
 SHORT TITLE: Prescription Drug Copayments SB 647
 ANALYST: Wilson

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|---------------|----------------------|---------------|
| FY03 | FY04 | FY03 | FY04 | | |
| | | | See Narrative | | |

SOURCES OF INFORMATION

Responses Received From

Health Policy Commission (HPC)
 Board of Pharmacy (BP)

SUMMARY

Synopsis of Bill

Senate Bill 647 enacts a new section of the New Mexico Drug, Device and Cosmetic Act requiring copayments for prescription drugs that are advertised directly to consumers. These new copayments are in addition to insurance copays, and will go to the drugs' manufacturer. The copayment will be 20% of the cost of the prescription drug.

SB 647 requires drug manufacturers to provide pharmacies on a monthly basis a list of prescription drugs advertised for which the advertising co-payment applies.

Significant Issues

SB 647 appears to be an attempt to curtail the advertising of drugs by forcing the consumer to pay out of his own pocket for these products.

FISCAL IMPLICATIONS

It is not clear how the provisions of SB 647 will be enforced, but when this is clarified there will be some fiscal impact to the enforcing agency.

POSSIBLE QUESTIONS

Does SB 647 apply to medicaid and medicare recipients?

DW/sb/njw