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FISCAL IMPACT REPORT

ORIGINAL DATE 2/24/07

SPONSOR Sanchez, M. LAST UPDATED _____ HB _____

SHORT TITLE Pharmacists as Insurance Providers SB 1097

ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	\$0.1	Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB577

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health Policy Commission (HPC)

Human Services Department (HSD)

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 1097 amends definitions contained within the Insurance Code in the Health Maintenance Organization Law and the Nonprofit Health Care Plan Law. The definition of “basic health services” under the HMO law has been amended to include “services of pharmacist and pharmacist clinicians” under medically necessary services. Definitions of pharmacist and pharmacist clinicians are also added to the HMO law. The Nonprofit Health Care Plan law has been amended to provide definitions for pharmacist and pharmacist clinicians.

FISCAL IMPLICATIONS

There is no direct fiscal impact; however adding the services of pharmacist and pharmacist may increase claims costs and affect the premiums of the enrollees covered by the Risk Management Division, the Retiree Health Care Authority and the New Mexico Public School Insurance Authority. Any new required service may offer an enrollee more choices and a higher quality of care, but has the potential to increase cost.

SIGNIFICANT ISSUES

The PRC notes that pharmacist and pharmacist clinicians play an important role in the delivery of health care services. SB 1097 recognizes this role and provides definitions for pharmacists and pharmacist clinicians. Additionally, the bill includes basic health services provided by HMOs must include medically necessary services provided by pharmacist and pharmacist clinicians.

HSD provided the following:

Pharmaceutical care, as used in the bill is not a commonly understood or defined term. Since the addition of the term pharmaceutical care will require health maintenance organizations and non-profit health care plans to pay for the service, the service needs to be well defined.

There is a definition of pharmaceutical care in the Pharmacy Practice Act (which is not the Act the bill is amending) but which if referenced in the bill could serve as the definition:

Pharmaceutical care means the provision of drug therapy and other patient care services related to drug therapy intended to achieve definite outcomes that improve a patient's quality of life, including identifying potential and actual drug-related problems, resolving actual drug-related problems and preventing potential drug-related problems.

This means HMOs and non-profit health plans that cover drug items will have to pay for the “other patient services related to drug therapy intended to achieve definition outcomes that improve a patient's quality of life, including identifying potential and actual drug-related problems, resolving actual drug-related problems and preventing potential drug-related problems” , as stated in the definition. It is not clear that an HMO or non-profit health plan could take the position that their dispensing fee includes coverage of all these additional services.

ADMINISTRATIVE IMPLICATIONS

The staff of the Department of Insurance of the PRC can handle the provisions of this bill as part of their ongoing responsibilities.

RELATIONSHIP

SB 1097 relates to HB577 which also amends Section 59A-46-2 NMSA 1978 of the Health Maintenance Organization Law to include the services of pharmacists and pharmacist clinicians as part of insurance coverage.

OTHER SUBSTANTIVE ISSUES

The HPC provided the following:

Pharmacists and pharmacist clinicians provide services to New Mexico through medication management, disease management and expanded practice including

immunizations, tobacco cessation and emergency contraception.

According to the New Mexico Health Policy Commission's 2005 Health Workforce Profiles, in 2005, New Mexico had 1,450 Registered Pharmacists, 2,290 Pharmacy Technicians and 79 Pharmacist Clinicians. Many individuals had more than one license type; therefore, when duplicates were, there were 3,819 pharmacy professionals in New Mexico. There were approximately 7.61 Registered Pharmacists per every 10,000 people in New Mexico.

The New Mexico Pharmacists Association indicates that pharmacists are not recognized as providers by insurance companies and other third party programs. In New Mexico, pharmacists can prescribe based on protocols approved by the Board of Pharmacy, the Medical Board and the Board of Nursing. The Centers for Disease Control and Prevention recognize pharmacists as providers by inclusion in the requirement for a National Provider Identification.

DW/nt