FISCAL IMPACT REPORT

SPONSOR: Lujan, B   DATE TYPED: 02/27/03   HB   939

SHORT TITLE: Subcontractor Minimum Dispensing Fee   SB

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	**FY04**	**FY03**	**FY04**		
	$0.0				

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Responses Received From
Human Services Department
Regulation and Licensing Department-Pharmacy Board

SUMMARY

Synopsis of Bill

House Bill 939 (HB 939) seeks to amend the language in Section 27-2-16(B) which would allow sub-contractors of the Human Services Department (HSD) to negotiate an appropriate dispensing fee that is different from the minimum amount of $3.65 currently allowed in the law.

Significant Issues

HB 939 would allow the Managed Care Organization (MCOs), and any other subcontractor for HSD, to negotiate appropriate dispensing fees based on rural or urban needs and difficult to serve populations, and may offers providers incentives to serve underserved areas and populations.

This would increase the flexibility of the contractors and HSD allowing for higher dispensing fees when necessary, and lower when appropriate.

This would eliminate HSD involvement in the ongoing Starko Lawsuit.

FISCAL IMPLICATIONS

Specific fiscal implications are indeterminate, but there be would impact on Medicaid pharmacy costs.

MW/ls