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FISCAL IMPACT REPORT

ORIGINAL DATE 02/09/11
 LAST UPDATED 03/04/11 **HB** _____

SPONSOR Munoz

SHORT TITLE Coverage for Prescription Eye Drops **SB** 378/aSFL#1/aSPAC

ANALYST Archuleta

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	*Minimal/See Fiscal Impact					

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public School Insurance Authority (PSIA)
 Retiree Health Care Authority (RHCA)
 General Services Department (GSD)

No Response Received From

Albuquerque Public Schools (APS)

SUMMARY

Synopsis of SFL Amendment

The floor amendment adds language addressing supplies of greater than thirty days. It requires a refill to be allowed after forty days for a sixty-day supply of eye drops or sixty days for a ninety-day supply of eye drops from the later of the date that the original prescription was distributed to the insured or the date that the last renewal of the prescription was distributed to the insured

Synopsis of SPAC Amendment

The amendment to Senate Bill 378 reduces the time period for insurance coverage of a renewal prescription for eye drops from 25 to 20 days from the date the original prescription was issued.

Synopsis of Original Bill

Senate Bill 378 adds a section to the Health Care Purchasing Act requiring the group health insurance plans offered by PSIA, RHCA, GSD and APS to cover any prescription refills for eye drops as long as the following conditions are met: the refill is requested 25 days after the original

prescription was filled, or 25 days after the date the prescription was written (whichever is later), and the prescriber states the additional quantities are needed effective January 1, 2012.

FISCAL IMPLICATIONS

This bill may increase PSIA's prescription costs. Currently PSIA's coverage is limited to a medically necessary quantity written for a specific days supply. Additional quantities may be requested because of the misuse of the eye drops, i.e., eye drops missing the eye. PSIA does not expect the increased cost to be of any significance.

RHCA already provides coverage for both the original prescription for an eye drop as well as for refills within the timeframe specified in the legislation. As such, there is no material impact to RHCA.

SIGNIFICANT ISSUES

GSD indicates they provide refill coverage of prescription eye drops in accordance to the Federal Drug Administration (FDA) guidelines and there is no mention of abiding by FDA guidelines in this mandate.

DA/bym