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FISCAL IMPACT REPORT

SPONSOR Munoz and McMillan **ORIGINAL DATE** 01/24/12
LAST UPDATED 02/09/12 **HB** _____

SHORT TITLE Health Insurance for Prescription Eye Drops **SB** 81/aSPAC

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

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

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 81 clarifies that coverage for prescription eye drops cannot be denied if the renewal is requested at least twenty-three days (as opposed to twenty) for a thirty-day supply, forty-five days (as opposed to forty) for a sixty-day supply, or sixty-eight days (as opposed to sixty) for a ninety-day supply.

Synopsis of Original Bill

Senate Bill 81 enacts new sections of statute relating to health insurance and would require prescription eye drop refills after twenty days for a thirty day script, forty days for a sixty day script, or sixty days for a 90 day script as long as the prescriber indicates that additional quantities are needed and that the renewal does not exceed that number.

FISCAL IMPLICATIONS

No Fiscal Impact.

SIGNIFICANT ISSUES

In the last few years, glaucoma patients who use eye drop medications have been faced with more stringent restrictions on their prescriptions. Insurance companies now impose limits on refill intervals. However, many patients have trouble putting exactly one drop onto the eye. This waste of drops is one reason that some patients run out of their drops too soon.

PERFORMANCE IMPLICATIONS

Recent memos issued from Medicare have instructed insurers to allow refills of eye drops at reasonable intervals.

ADMINISTRATIVE IMPLICATIONS

Agencies within the Interagency Benefits Advisory Committee report adherence to Food and Drug Administration guidelines that monitor “refill too soon” for all medications dispensed. The claim system looks back from refill date 180 days and allows a refill prescription to go through if 75 percent of the 180 day supply has been depleted.

The Risk Management Division reports that current protocol includes the member/provider writing a letter with supporting medical statements as to why and what condition the member is facing that would justify the necessity of a “refill too soon”.

OTHER SUBSTANTIVE ISSUES

Eye drops, or any liquid medication that is measured by “drops”, can present problems because the actual number of doses is difficult for pharmacists to calculate.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Health care providers can continue to request an exception from an insurer to allow enough medication for their patients. Patients with Medicare supplement plans can also call Medicare directly to register a complaint about a plan’s rules about eye drop refills.

AMENDMENT

Insert a new paragraph (3) after paragraph (2) on pages 2, 3, 4, 5 that states “the prescribing health care provider has authorized the early refill.”

AHO/svb:amm