

February 13, 2017

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 165 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 165 is respectfully submitted to your committee.

SB 165 would require the Board of Pharmacy to establish a statewide opioid antagonist protocol, including requirements for licensed pharmacists to dispense emergency opioid antagonists to patients, bystanders, first responders, scientists or technicians operating under a first responder or school nurse, who may then store and administer as clinically indicated. The bill would waive all civil liability, criminal prosecution, or other discipline for an individual acting in good faith the while administering an emergency opioid antagonist. The bill would require insurance coverage for at least one abuse-deterrent opioid analgesic drug product per opioid analgesic active ingredient drug product on a policy's, plan's, contract's, society's, organization's or pool's formulary or similar list. Insurance coverage must not require an individual first use an opioid analgesic drug product without abuse deterrent labeling claims before coverage is provided for an abuse deterrent opioid analgesic drug product. The bill would also require coverage for emergency opioid antagonists prescribed to inhibit the effects of opioids or for the treatment of opioid overdose. If state law mandates that insurers cover benefits that are not included in the "benchmark" plan, the state would be required to pay any additional costs for those benefits for exchange enrollees.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	--	\$10,000	--	\$21,500
FTE Pos.	--	--	--	--

The Board of Pharmacy indicates that due to the involvement of pharmacists in dispensing opioid antagonists to individuals, it is possible that the Board could receive an increased number of complaints that lead to investigations. However, any additional costs resulting from enactment of SB 165 would be absorbed within existing resources.

The Commissioner of Insurance indicates that the bill is written to apply to municipal group funded pools, and therefore the cost of including the abuse deterrent opioid analgesic drug products would be included in the cost of coverage that affects the units of government that are purchasing insurance coverage. Enactment of the bill would not have a fiscal effect for the Emergency Medical Services Board. The Board further indicates that the bill should not have a fiscal effect for local governments.

Enactment of the bill would increase expenditures for the Kansas Department of Health and Environment (KDHE) by \$10,000 in FY 2018 and \$21,500 in FY 2019 from agency fee funds. The estimate is based on the cost of the generic alternative of Embeda, costing approximately \$100 per prescription. KDHE further estimates that between 150 and 250 prescriptions would be covered because of the bill. Based on these estimates, the additional cost ranges from \$15,000 to \$25,000 per year, with a midpoint of \$20,000. Because the bill would take effect on January 1, 2018, the estimated cost for FY 2018 is for half the year, which would be \$10,000. Any fiscal effect associated with SB 165 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Joe House, EMS
Alexandra Blasi, Board of Pharmacy
Glenda Haverkamp, Insurance
Dan Thimmesch, Health & Environment