



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 946

PRINTERS NO. 3693

PRIME SPONSOR: Baker

COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
Insurance Regulation & Oversight Fund	See "Fiscal Impact" below.	

SUMMARY: House Bill 946 would create a freestanding act to be known as the Pharmacy Audit Integrity Act. It would take effect in 90 days.

ANALYSIS: House Bill 946 provides a framework for pharmacy benefit managers and other entities, such as managed care organizations, third-party payers, or governmental health programs, to conduct audits within a pharmacy. It establishes procedures for conducting a pharmacy audit that entities performing such audits would be required to follow. It also requires an auditing entity to provide a pharmacy with a written report of the pharmacy audit that must comply with requirements established in the bill. The auditing entity must also establish a written appeals process under which a pharmacy may appeal an unfavorable final audit report to the entity.

This act does not apply to audits which are the result of a complaint to the pharmacy benefits manager or Board of Pharmacy in which fraud, waste or abuse is suspected.

The Insurance Department (PID) is given enforcement authority and the power to take action or impose penalties to bring noncomplying entities into full compliance with the provisions of this bill, including the promulgation of any regulations necessary to carry out the provisions of the bill.

FISCAL IMPACT: The Insurance Department anticipates enactment of this legislation may increase costs. The Department may need to hire additional staff or contract for services to implement the regulatory functions assigned to it by this legislation. However, it is difficult to estimate those costs at this time because PID must first promulgate regulations to carry out the provisions of this legislation, which will directly impact these costs.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: July 1, 2016

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.