

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: HB 2157

SPONSOR: General Appropriations and Representative Pruitt

SUBJECT: State Employee Benefits

DATE: April 21, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
2.	_____	_____	<u>FP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill repeals the repeal of the co-payments for the state employee prescription drug program scheduled to expire on June 30, 2000.

This bill amends sections 110.12315 and 110.1239, Florida Statutes.

II. Present Situation:

Unlike the contractual provisions for health insurance benefits, the Legislature has chosen to list in general law the co-payments required to be paid for prescription medications under the state employee health insurance program. Current employee participation is set at a level of \$7 for generic drugs, and \$20 for brand name drugs regardless of whether the purchases occurred with a prescription card or through mail order. There is, however, a ninety-day limit on mail order for the single co-payment amount while card purchases at pharmacies have a thirty day limit.

The 1999 Legislature placed an expiration date of June 30, 2000, on the two provisions of Florida law, ss. 110.12315 and 110.1239, F.S., setting these co-payment levels and the directive to the Department of Management Services to set the level of premiums necessary for the program for the ensuing year.

III. Effect of Proposed Changes:

The bill removes the date-specific repeal of ss. 110.12315 and 110.1239, F.S., so that these payment levels can continue for the next fiscal year.

The bill is effective upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

See "Related Issues," below.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Division of State Group Insurance in the Department of Management Services commissioned a study of prescription drug costs in 1999 and noted that its revenues continue to fall short of expenditures. It has offered a three-tier plan to address this fiscal imbalance. The new, third tier would provide a higher co-payment for brand name drugs without creating any provider limitation on the prescription of new, more expensive drugs. The failure to pass this bill may provide the agency with indirect authority to implement an alternative plan by rule.

VIII. Amendments:

None.

