

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4105 Agency for Health Care Administration

SPONSOR(S): Nuñez

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health & Human Services Quality Subcommittee	12 Y, 1 N	Entress	Calamas
2) Health & Human Services Committee	16 Y, 0 N	Entress	Gormley

SUMMARY ANALYSIS

The bill repeals the requirement in s. 402.81, F.S., that the Agency for Health Care Administration (AHCA) annually report to the Legislature on the Pharmaceutical Expense Assistance Program.

The bill reduces the workload of AHCA staff and has no fiscal impact on state or local government.

Provides an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

The Pharmaceutical Expense Assistance Program

In 2006, Florida established the Pharmaceutical Expense Assistance Program (PEAP) to assist individuals diagnosed with cancer or who have received organ transplants and were medically needy prior to January 1, 2006 with prescription costs.¹ Subject to an appropriation and availability of funds, the program requires the Agency for Health Care Administration (AHCA) to pay the Medicare Part B prescription drug coinsurance and deductibles for the medication required by these individuals.² S. 402.81, F.S., provides that PEAP is not an entitlement program and a waiting list may be developed. AHCA is required to report annually to the Legislature regarding the operation of PEAP, including number of individuals served, use rates, and program expenditures.³ The law does not specify which chairs or presiding officers receive the report, but AHCA has interpreted this to mean the Senate President and the Speaker of the House.⁴

As of January 1, 2006, 652 individuals were eligible for the program.⁵ However, during Fiscal Year (FY) 2006-2007 only 61 individuals enrolled in PEAP.⁶ Utilization rates have varied in recent years and PEAP has experienced a reduction in utilization each year since FY 2008-2009.⁷

PEAP 2006-2011⁸

Fiscal Year	Expenditures	Recipients
FY 2006-2007	\$56,031.33	61
FY 2007-2008	\$37,430.03	84
FY 2008-2009	\$129,703.73	134
FY 2009-2010	\$93,244.58	73
FY 2010-2011	\$47,169.60	63

Utilization is expected to continue to decrease, since no additional individuals can become eligible for the program after January 2006.⁹ Currently, less than 100 individuals utilize PEAP and the Legislature appropriated \$50,000 for the program in FY 2011-2012.¹⁰

Effects of Proposed Changes

The bill repeals the requirement in s. 402.81, F.S.; that AHCA annually report to the Legislature on PEAP. The repeal of this requirement will not affect current operations of PEAP, nor will it have any

¹ S. 20, ch. 2006-28 L.O.F.; s. 409.9301, F.S. (later renumbered as s. 25, ch. 2011-135, L.O.F.; s. 402.81, F.S.).

² S. 402.81, F.S.

³ *Id.*

⁴ AHCA e-mail correspondence, December 7, 2011; on file with Subcommittee Staff.

⁵ Agency for Health Care Administration, 2010 Pharmaceutical Expense Assistance Program Report, January 19, 2010.

⁶ AHCA e-mail correspondence, November 29, 2011; on file with Subcommittee Staff.

⁷ *Id.*

⁸ *Id.*

⁹ Agency for Health Care Administration, 2012 Bill Analysis and Economic Impact Statement, House Bill 4105 (November 23, 2011).

¹⁰ *Id.*; and *Supra.*, at note 5.

fiscal impact.¹¹ The changes will eliminate a portion of the workload by AHCA.¹² Although a report will no longer be required, the data in the report can be provided by AHCA upon request.¹³

B. SECTION DIRECTORY:

Section 1. Repeals s. 402.81(4)(b), F.S., relating to annual reports regarding operations of the Pharmaceutical Expense Assistance Program.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill reduces the workload required by the AHCA and has no fiscal impact.¹⁴

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

¹¹ *Supra.*, at note 7.

¹² *Id.*

¹³ *Id.*

¹⁴ *Supra.*, at note 7.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES