

STORAGE NAME: h1713.frc
DATE: March 22, 2001

HOUSE OF REPRESENTATIVES
FISCAL RESPONSIBILITY COUNCIL
ANALYSIS

BILL #: HB 1713
RELATING TO: State Employee Health Insurance Prescription Co-payments
SPONSOR(S): Fiscal Responsibility Council and Representative Lacasa

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) FISCAL RESPONSIBILITY COUNCIL YEAS 20 NAYS 1
 - (2)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

Section 62 of chapter 2000-171, Laws of Florida, set the amount of co-payments required for the state employees' prescription drug program for FY 2000-01; these provisions expire June 30, 2001. The co-payments are \$7 for generic drugs; \$20 for brand name drugs; \$35 for nonpreferred brand name drugs; \$10.50 for generic mail order drugs; \$30 for brand name mail order drugs; and \$52.50 for nonpreferred brand name mail order drugs. Pursuant to s. 110.12315, Florida Statutes, retail store purchases of prescribed drugs are limited to a 30 day supply while mail order purchases are limited to 90 day supplies.

Section 110.1239, F.S., requires the Division of State Group Insurance (DSGI) to determine the level of premiums necessary to fully fund the state group health insurance program for the next fiscal year. The law also provides legislative intent that the insurance program should be managed, administered, operated, and funded in a manner to maximize the protection of health benefits for the employees. The provisions of this section expire June 30, 2001.

This legislation removes the repealers on sections 110.12315 and 110.1239, F.S. As a result, the current prescription co-payments required for the state group health insurance program are continued beyond June 30, 2001, and the Division of State Group Insurance must continue to determine, and recommend to the Legislature, the premiums necessary to maintain adequate funding for the program in the next fiscal year.

There is no direct fiscal impact on any state or local revenue source.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 62 of chapter 2000-171, Laws of Florida, set the amount of co-payments required for the state employees' prescription drug program for FY 2000-01; these provisions expire June 30, 2001. The co-payments are \$7 for generic drugs; \$20 for brand name drugs; \$35 for nonpreferred brand name drugs; \$10.50 for generic mail order drugs; \$30 for brand name mail order drugs; and \$52.50 for nonpreferred brand name mail order drugs. Pursuant to s. 110.12315, Florida Statutes, retail store purchases of prescribed drugs are limited to a 30 day supply while mail order purchases are limited to 90 day supplies.

Section 110.1239, F.S., requires the Division of State Group Insurance (DSGI) to determine the level of premiums necessary to fully fund the state group health insurance program for the next fiscal year. The law also provides legislative intent that the insurance program should be managed, administered, operated, and funded in a manner to maximize the protection of health benefits for the employees. The provisions of this section expire June 30, 2001.

C. EFFECT OF PROPOSED CHANGES:

This legislation continues the current co-payment levels for the state employees' prescription drug program and continues DSGI's responsibility to determine the premium levels necessary to fully fund the health insurance program.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 amends s. 110.12315, F.S., to remove the scheduled expiration of the prescription drug co-payment schedule and obsolete language.

Section 2 amends s. 110.1239, F.S., to remove the scheduled expiration of DSGI's determination of necessary premium levels.

Section 3 provides that the act is effective upon becoming a law.

III. 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:

This legislation continues the current level of co-payments required to be paid by state employees for participation in the prescription drug program.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues in the aggregate, as such authority existed on February 1, 1989.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax share with counties and municipalities as an aggregate on February 1, 1989.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

STORAGE NAME: h1713.frc

DATE: March 22, 2001

PAGE: 4

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

FISCAL RESPONSIBILITY COUNCIL:

Prepared by:

Staff Director:

Joe McVaney

David K. Coburn