

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6655
BILL NUMBER: SB 153

DATE PREPARED: Dec 10, 1998
BILL AMENDED:

SUBJECT: Insurance Coverage of Mail Order and Internet Pharmacies.

FISCAL ANALYST: Alan Gossard
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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows insurers to designate a mail order or Internet pharmacy to provide prescription drugs to an insured. However, it prohibits an insurer from requiring as a condition of coverage that an insured purchase prescription drugs from a designated mail order or Internet pharmacy. The bill also prohibits an insurer from applying a financial penalty if an insured does not purchase prescription drugs from a designated mail order or Internet pharmacy.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This provision has no fiscal impact to the state at this time. However, it could have a future fiscal impact to the state through its provision of health benefits to state employees. There would be an impact only if and to the extent that purchasing from mail order and Internet pharmacies was a lower cost alternative and was prohibited by this bill.

Four of the eight state employee health plans currently allow insureds to obtain prescription drugs from mail order pharmacies. However, none of the plans require purchases by mail order.

Explanation of State Revenues:

Explanation of Local Expenditures: This provision could have a fiscal impact to school corporations and local governments through the provision of health benefits to their employees. There would be an impact only if and to the extent that purchasing from mail order and Internet pharmacies was a lower cost alternative and was prohibited by this bill.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: Local Governments and School Corporations.

Information Sources: Keith Beesley, Department of Personnel, 232-3062.