

BILL SUMMARY
2nd Session of the 54th Legislature

Bill No.:	HB 2384
Version:	Introduced
Request Number:	8387
Author:	Cox
Date:	2/13/2014
Impact:	Potential cost savings of \$27.8 Million

Dollars

Research Analysis

HB 2384, as introduced, directs the board of health to promulgate rules to implement provider rates reflecting a Medicaid-to-Medicare fee index of .95; require prior authorization for all controlled substances and non-generic pharmaceuticals; allow only five prescriptions per month for 18 and older Medicaid-eligible individuals; allow only 6 ER visits per calendar year for Medicaid-eligible individuals; and to perform a study to examine potential costs savings related to durable medical equipment and diabetic supplies.

Prepared By: Scott Tohlen

Fiscal Analysis

HB 2384, as introduced, creates the Medicaid Sustainability and Cost Containment Act. The measure would require State Board of Health to implement certain changes to Medicaid in order to reduce costs. According to officials at the Health Care Authority, the savings of these changes are estimated as follows:

Provider rate cut to 95: \$5.5 million
Prior authorization for controlled substances: \$2.8 million
Prior authorization for nongeneric pharmaceuticals: \$13.2 million
Prescription allowance from six to five a month: \$2.2 million
Annual cap on ER visits to six: \$2.6 million
Competitive bidding on durable medical equipment: \$1.5 million

TOTAL estimated cost saving: \$27.8 million

Prepared By: Mark Nichols

Other Considerations

None.