

**Department of Planning and Budget
2005 Fiscal Impact Statement**

1. Bill Number: SB841

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|------------------------|---------------------------------------|-------------------------------------|--|
| House of Origin | <input type="checkbox"/> Introduced | <input type="checkbox"/> Substitute | <input type="checkbox"/> Engrossed |
| Second House | <input type="checkbox"/> In Committee | <input type="checkbox"/> Substitute | <input checked="" type="checkbox"/> Enrolled |

2. Patron: Deeds

3. Committee: Passed Both Houses

4. Title: Implementation of Medicare Part D benefit

5. Summary/Purpose: The bill provides the Board of Medical Assistance Services emergency regulatory authority to implement the provisions of the federal Medicare Part D prescription drug benefit that becomes effective January 1, 2006. The bill also directs the Department of Medical Assistance Services to convene a task force, upon the implementation of the Medicare Part D program, of public and private stakeholders to assist the Department in evaluating the federal program and make recommendations for enhancing, coordinating, and integrating the existing pharmacy assistance programs for low-income Virginians and the Medicare Part D benefit. The Department must report its findings and recommendations to the Governor and General Assembly by November 1, 2006.

6. No Fiscal Impact: SEE ITEM 8.

7. Budget amendment necessary: No.

8. Fiscal implications: The bill would impact the Department of Medical Assistance Services with respect to developing and implementing new or changed regulations with regard to the new Medicare prescription drug benefit and its impact on the state Medicaid program. The agency is also required to convene a task force to assist the department. While these requirements will require staff resources, the agency will be able to absorb the impact within its existing workload. Once the federal regulations have been interpreted and the new drug benefit is implemented, any costs to the state associated with the new program will be requested during development of the 2006-2008 biennial budget.

9. Specific agency or political subdivisions affected: Department of Medical Assistance Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 03/2/05 / mst

Document: G:\Ga Sessions\2005 Session\Fis\Sb841ER.Doc

cc: Secretary of Health and Human Resources