

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1023 - SB 1080**

March 30, 2017

**SUMMARY OF BILL:** Prohibits health insurance plans issued by hospital and medical service corporations from denying licensed pharmacies the right to be a participating provider on the same terms and conditions as any other pharmacy provider.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Currently, Tenn. Code Ann. § 56-7-2359 prohibits a health insurance issuer or managed health insurance issuer to deny any licensed pharmacy or licensed pharmacist the right to participate as a participating provider in any policy, contract, or plan provided that the pharmacy or pharmacist is a participating provider under the same terms and conditions of the contract, policy or plan as those offered any other provider of pharmacy services.
- The proposed legislation includes a subscriber contract issued by a hospital and medical service corporation to such prohibition.
- The Department of Commerce and Insurance will be responsible for ensuring all health insurance issuers and managed health insurance issuers are abiding by the new requirements of the proposed legislation. Any additional oversight or complaint investigations will not result in a significant increase in expenditures and can be accommodated within existing resources.
- Based on information provided by the Division of Health Care Finance and Administration, the provisions of the legislation will not have any fiscal impact to the state administered health programs.
- The provisions of the legislation will not have a significant fiscal impact to the pharmacy services included under the state employee, local government, and local education health plans administered by the Division of Benefits Administration's pharmacy benefits manager.
- Any fiscal impact to state or local government is considered not significant.

**HB 1023 - SB 1080**

**IMPACT TO COMMERCE:**

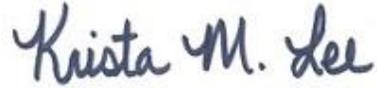
**NOT SIGNIFICANT**

Assumption:

- Any increase in costs incurred by health insurance issuers will result in an equal or greater increase in costs incurred by plan enrollees through premiums, deductibles, co-pays, etc. Therefore, the net impact to commerce is considered not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jem