



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-6300
Fax: (401) 222-6410

State Fiscal Note for Bill Number:

2025-H 5627

Date of State Budget Office Approval: Thursday, April 17, 2025

Date Requested: Monday, March 3, 2025

Date Due: Thursday, March 13, 2025

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2025 N/A	FY 2025 N/A
FY 2026 See Below	FY 2026 N/A
FY 2027 See Below	FY 2027 N/A

Explanation by State Budget Office:

This bill would require insurance plans, inclusive of commercial health insurance and Medicaid, to cover all services provided by a pharmacist provided coverage of such services would have been covered if provided by a physician, advanced practice nurse, or physician assistant.

The insurance plans would be required to provide an adequate number of pharmacists in its network of participating medical providers.

The provisions of this bill are set to expire on January 1, 2030, unless extended by the General Assembly.

This act would further require Rhode Island to apply for an amendment to the State Medicaid Plan or any Medicaid waiver as necessary to implement this act, no later than September 1, 2025.

Summary of Facts and Assumptions:

The bill does not amend RIGL Chapter 36-12 entitled "Insurance Benefits" and the bill will have no impact on the procedures covered by the State Employee Health Insurance Fund. Therefore, the only fiscal impact from the bill will be in the Medicaid program.

The bill includes the following services as eligible for reimbursement to pharmacists:

- Evaluation and management of a patient, which requires a medically appropriate history and/or examination and medical decision making.
- Medication therapy management review.
- Immunization education and administration.
- Administration of Medications.
- Ordering and evaluation of clinical laboratory tests.

It is assumed the above list is intended to be an illustrative example of the types of services that could be provided by a pharmacist and is not intended to be an exhaustive list. Additionally, the American Society of Health-System Pharmacists (ASHP) have identified the following services as services that Pharmacists are readily able to provide:



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- Immunizations and travel vaccines.
- Medication therapy management (MTM).
- Collaborative drug therapy management (CDTM).
- Comprehensive medication management (CMM).
- Focused specialty management of chronic diseases (e.g., anticoagulation, diabetes, heart failure).
- Management of complex acute conditions or exacerbation of chronic conditions (e.g., urinary tract infection, chronic obstructive pulmonary disease, asthma).
- Provision of personalized medicine (e.g. pharmacogenomics)
- Patient counseling, education, and training.

Finally, the Academy of Managed Care Pharmacy (AMCP) has identified the following service as a partial list of services that Pharmacists are readily able to provide:

- Assessment of therapeutic needs, such as the identification of both treated and untreated medical conditions or drug therapy issues.
- Assessment of patient knowledge of their medical conditions and their treatment plan.
- Assessment of patient safety by evaluating patient medication treatment plans for the risk of adverse drug reactions.
- Recommending and/or providing preventive care services.
- Collaborating with prescribers in the development of a patient specific medication treatment plan, which provides the patient with the safest, most effective, and most convenient options available.
- Development and delivery of patient specific information and education in reference to the patient's medical condition, medication use, life-style modification, and appropriate use of medical devices.
- Collaboration with the patient care team in the management of chronic disease states with an emphasis on provision and coordination of continuity of care.
- Assurance that patients receive appropriate follow-up.
- Promotion of patient empowerment for their own care, for example, by providing patient assistance necessary to ensure patients are able to demonstrate proper adherence to their specific drug regimen.
- Assisting patients to optimally utilize health care resources.

The provisions of the bill will result in fiscal impact from both the administrative costs and the payments of the Medicaid benefits.

Administrative Costs:

Prior to implementing the provisions of this bill EOHHS will need to engage a consultant to formulate an implementation plan. This would include identifying the services pharmacists will provide, setting appropriate rates for the services performed by pharmacists, and cost estimate of the expanded benefits. The initial cost estimate for the consultant services is estimated to be \$235,0000 in FY 2026, based on recent projects of similar size and scope.



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Additionally, EOHHS will be required to make updates and modifications to the Medicaid Management Information System (MMIS) to enable to payments to pharmacists. Based on recent projects of similar size and scope the initial cost estimate is \$200,000 in FY 2026.

Benefit Costs:

The bill does not define the reimbursements rates paid to Pharmacists, which will be set based on the input of the consultant work referenced above.

The fiscal impact of the bill is largely determined by the backlog of demand for the applicable services due to a lack of available providers, and the number of pharmacists who are willing to become pharmacists. The full information needed to develop a fiscal estimate will be part of the consultant work referenced above and is unavailable to the Budget Office at this time. For this reason, the full fiscal impact of the bill is indeterminate. However, the following information is intended to give background information of the factors influencing the fiscal impact.

It is assumed that the January 1, 2030, sunset of the benefit may limit the number of pharmacists willing to become Medicaid providers, as some pharmacists may view the process of becoming a Medicaid provider to be too burdensome for the temporary benefit.

Pharmacists providing medical services will provide more options and access for Medicaid members in need of medical services. It is assumed some members will switch from their current provider to pharmacist due to convenience. This could result in lower Medicaid expenditures if the rate paid to pharmacists is lower than other providers. However, it is assumed the potential savings will be offset by the other providers filling the lost timeslots with Medicaid services of comparable cost.

It is assumed there is a backlog of demand for many services in the Medicaid program, due to the difficulty of members finding providers. Adding pharmacists as eligible providers will increase the access to Medicaid members have to services, likely resulting in an increase in expenditures. Depending on the number of pharmacists willing to participate, and the number of services they are willing to provide, this cost increase could range from minimal to substantial.

The full fiscal impact of the bill is likely to be phased in over multiple years, as it will take time for pharmacists to enroll as providers and for members to be aware of the services they provide. This will likely limit the FY 2026 and FY 2027 costs compared to costs in FY 2028 and beyond.

Comments on Sources of Funds:

Medicaid benefit expenditures are jointly financed by general revenues and federal funds according to the prevailing (blended) Federal Medicaid Assistance Percentage (FMAP), which is 55.99 percent in FY 2025 and 57.20 percent in FY 2026. For FY 2027, the preliminary blended FMAP is 57.80 percent.



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Summary of Fiscal Impact:

FY 2025: N/A

FY 2026:

Administrative Costs:

General Revenue: \$217,500

Federal Funds: \$217,500

Total: \$435,000

Benefit Costs:

Indeterminate.

Budget Office Signature: _____

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Digitally signed by
Joseph Codega Jr.
Date: 2025.04.18
08:36:55 -04'00'

Fiscal Advisor Signature: _____

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