

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: July 8, 2003

SUBJECT: Fiscal Impact Statement: “Medicaid Pharmacy Dispensing
Reimbursement Emergency Act of 2003”

REFERENCE: Draft: Bill Number Not Available

Conclusion

Funds are sufficient in FY 2003 through FY 2007 budget and financial plan because no additional staff will be required.

Background

The proposed amendment would postpone the effective date to increase Medicaid reimbursement to pharmacy providers for dispensing medicine from April 1, 2003 until July 1, 2003, consistent with the District’s FY 2003 budget and financial plan.

On December 2, 2002, the Council enacted the “Fiscal Year 2003 Budget Support Emergency Amendment Act of 2002” (D.C. Act 14-492), approving the proposed State Plan amendment to the District of Columbia State Plan for Medical Assistance which authorizes the Medicaid Program to increase the pharmacy dispensing reimbursement effective April 1, 2003. After approval, the Department of Health Medical Assistance Administration determined that the District government was experiencing a shortfall in the local budget. Because of the shortfall, the reimbursement increase (from \$3.75 to \$4.50) was postponed until July 1, 2003. Enactment of the proposed legislation is necessary to ensure that spending is consistent with the District’s FY 2003 budget and financial plan.

Financial Plan Impact

The fiscal impact is set forth in Table 1 below.

Impact to the Financial Plan						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	TOTAL
Pharmacy Dispensing Fee	\$187,500	\$750,000	\$750,000	\$750,000	\$750,000	\$3,187,500
Federal Share	\$131,250	\$525,000	\$525,000	\$525,000	\$525,000	\$2,231,250
Local Share	\$56,250	\$225,000	\$225,000	\$225,000	\$225,000	\$956,250

Funds are sufficient in the FY 2003 budget and the FY 2003 through FY 2007 financial plan because the additional increase of \$0.75 per Pharmacy Dispensing Fee is currently funded in the FY 2003 budget and the financial plan for FY 2003 through FY 2007.