

Rule Summary and Fiscal Analysis (Part A)**Department Of Aging**

Agency Name

Division

Mike Laubert

Contact

50 West Broad St. 9th Floor Columbus OH 43215 - 3363

Agency Mailing Address (Plus Zip)

614-752-9677

Phone

614-466-5741

Fax

173-6-07

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Prescription drug program contracts.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **173.02, 173.061**

5. Statute(s) the rule, as filed, amplifies or implements: **173.061**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

This rule is being proposed for amendment as part of a larger effort by the Department to distinguish in Chapter 173-6 of the Administrative Code between "rebates" and "discounts" in order to provide clarity to drug manufacturers who seek to integrate their means-tested discount programs with the Golden Buckeye Prescription Drug program.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

Rule Content: This rule reflects the Department's statutory authority to contract with one or more entities to administer prescription drug programs for Golden Buckeye Program cardholders; describes how contracts will be awarded by the Department and the necessary content of all proposals submitted by interested entities; authorizes the Department to force any administrator to modify its conduct of a program for certain stated reasons; establishes a maximum term for all contracts; authorizes the termination of contracts by the Department under certain circumstances; and makes all contracts subject to approval from the Controlling Board.

Rule Changes: The rule is being amended to clarify the Department's intent in light of the definitions added to existing/proposed rule 173-6-02 of the Administrative Code; to require any entity wishing to serve as an administrator to submit a proposal reflecting that the entity will use one hundred percent of any drug discounts it receives to reduce the prescription purchase costs of cardholders; to delete or replace the word "discount" wherever it is used inconsistent with the definition of "drug discount" in proposed new rule 173-6-02 of the Administrative Code.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date: **11/15/2007**

(If you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: At time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

0.00

The proposed amendment to this rule is not expected to have any impact upon the agency's budget in the current biennium.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

All costs of the Golden Buckeye Card program are paid for with funds from the following line items: 490-321 (Operating Expenses); 490-419 (Prescription Drug Discount Program); and 490-405 (Golden Buckeye Card).

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

The costs incurred by entities submitting proposals to administer prescription drug programs will necessarily vary from one entity to the next and cannot be estimated by the Department.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**