

FISCAL NOTE

	FY 2022	FY 2023	FY 2024
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
EMPLOYEE HEALTH INS ACCT	\$2,145,322	\$2,295,505	\$2,456,190

Source of expenditure increase:

This bill would impact the state's Employee Group Health Insurance and require the specialty variable coupon program to be eliminated. The program adjusts the specialty drug copayments for each manufacturer-subsidized drug and creates a coupon system. Eliminating this program requires additional claim cost to be paid by Employee Group Health Insurance.

Assumptions:

An average annual increase of seven (7) percent for claims cost.

The fiscal impact in the form of an expenditure increase to the Insurance Department (Department) is indeterminable. This bill gives the Department authority to examine pharmacy benefit managers and pharmacies. The Department will need to contract with exam specialists and staff will oversee these examinations.

The expenditure increase reflected above could be considered an administrative cost. However, for simplicity and to follow consistent practice on legislation of this type, it is included on the fiscal note.

Prepared by: Leanne Hoag, LSO Phone: 777-7881
(Information provided by Linda L. Johnson, Insurance Department, 777-6896;
Ralph Hayes, Dept. of Administration & Information, 777-5440)