

CORRECTED COPY

FISCAL NOTE

This bill contains an appropriation of \$189,000 from revenue authorized in W.S. 26-2-204 to the Dept. of Insurance. This appropriation is effective immediately.

This bill contains an appropriation of \$250,000 from revenue authorized in W.S. 26-2-204 to the Dept. of Insurance. This appropriation is effective immediately.

This bill contains authorizations of 1 full-time position and 1 at-will contract employee position.

DETAIL OF APPROPRIATION

Agency #: 044 Agency Name: Insurance Department
 Unit: (new) Pharmacy Benefit Managers

EXPENDITURE BY SERIES AND YEAR	FY 2022	FY 2023	FY 2024
0100 Personnel/Benefit Costs	\$37,800	\$151,200	\$0
0900 Contractual Services Costs	\$50,000	\$200,000	\$0
 Total Expenditure Per Year:	 \$87,800	 \$351,200	 \$0
 Grand Total Expenditure:	 \$439,000		
Total Appropriated to Agency:	\$439,000		
Total Appropriated by Fund:			
SPECIAL REVENUE FUND	\$439,000		

Description of appropriation:

The Dept. of Insurance (DOI) will expend \$189,000 to hire 1 full-time permanent employee and 1 at-will employee. The at-will employee will be hired for one year.

The \$250,000 will be expended on contractual service costs to hire experts to train employees to receive, investigate, and adjudicate complaints. They will design the complaint forms and an electronic submission method. They will draft rules and develop exam procedures and conduct exams as necessary. They will also review reports submitted pursuant to W.S. 26-52-105(a). It is assumed that this funding will be sufficient to address 200 complaints per year. If there are substantially more complaints, more funding will be needed.

	FY 2023	FY 2024	FY 2025
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
EMPOLOYEE HEALTH INSURANCE	\$7,400,000	\$7,844,000	\$8,314,640

Source of revenue increase:

Increased claims cost will result in higher premiums to participating members and entities, resulting in a revenue increase to the Employee Health Insurance Fund.

Assumptions:

Elimination of pharmaceutical manufacturer's coupon program from removing mandatory specialty medication mail order services would increase costs by approximately \$2.4 million.

Moving to national average drug acquisition costs is expected to increase ingredient costs by a minimum of 5%, based on actual claims from October 2020 - September 2021, which would increase costs by approximately \$2.4 million.

Moving to national average for pharmacists services would increase costs to the program for dispensing fees by approximately \$2.7 million.

A growth rate in claims of 6% per year for FY 2024 and FY 2025 is assumed.

Employees Group Insurance will require additional spending authority for expenditure of the increased insurance premium revenues. Employees Group Insurance's request for the additional spending authority is included in their Agency Estimate of Administrative Impact indicated below.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Dept. of Administration & Information

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