

**FISCAL NOTE**  
**SENATE BILL NO. 2030**  
**LC# 23.0104.02000**  
**01/05/2023**  
**Revised - 01/05/2023**

**1 - State Fiscal Effect**

*Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

**3 - Bill and Fiscal Impact Summary**

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB2030 requires that the Department participate in innovative rebate programs including value-based purchasing programs related to pharmaceuticals.

**4 - Fiscal Impact Sections Detail**

*Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is undeterminable.

Some of the reasons this fiscal impact is undeterminable are:

They take substantial time to negotiate.

Treatment successes and failures take a while to evaluate (e.g. if the drug is supposed to prevent progression of a

disease that is slowly progressive, it will take a year or more to determine if the disease has stopped progressing). And these agreements have not been shown (yet) to be a better deal for the state than the existing Medicaid Drug Rebate Program and existing supplemental rebate options.

It would be extremely difficult to predict how many of the 'one in 100,000 people' or 'one in 3 million people' will be on ND Medicaid in the coming years, how many of the drug companies will be willing to enter a VBP contract, and how many of those members would then not meet treatment thresholds which would then allow ND Medicaid to collect a VBP payment. Finally, it would be extremely difficult to predict if the value-base purchasing model payment would be better than traditional and supplemental rebates.

## **5 - Revenues Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

## **6 - Expenditures Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

## **7 - Appropriations Detail**

*For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

## **Contact Information**

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