

# FISCAL NOTE

Requested by Legislative Council  
01/26/2001

Bill/Resolution No.:

Amendment to:            HB 1116

1A. **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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				(\$419,700)		(\$479,965)
<b>Expenditures</b>			(\$180,300)	(\$419,700)	(\$206,975)	(\$479,965)
<b>Appropriations</b>						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would allow the Department of Human Services to require prior authorization of medical services before providing medical assistance coverage of outpatient drugs. This would be accomplished by the usage of less costly prescription drugs than those currently prescribed and the use of over the counter medications.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Impact of this bill reduces grant costs and therefore the federal reimbursement is also reduced as reflected above.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**If this bill is not passed** the increase in costs would include \$419,700 of federal funds and \$180,300 of general funds for a total increase of \$600,000. The above noted anticipated savings would not be realized. These savings in expenditures are **included** in the grants line item of the Department's budget.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Executive Budget for the Department of Human Services **includes** the anticipated savings listed above - \$419,700 of federal funds and \$180,300 of general funds. The Executive Budget for the Department includes in total \$79,115,722 for drug expenditures. If this bill does not pass, the appropriation for drug expenditures in the Department will need to be increased to \$79,715,722, as the savings noted will not be realized.

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**Agency:** Department of Human Services  
**Date** 01/29/2001  
**Prepared:**