

FISCAL NOTE

Requested by Legislative Council
01/21/2003

Bill/Resolution No.: HB 1430

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	(\$1,769,289)	\$0	(\$3,487,316)
Expenditures	\$0	\$0	(\$560,605)	(\$1,769,289)	(\$1,404,056)	(\$3,487,316)
Appropriations	\$0	\$0	\$439,395	\$1,164,606	\$0	\$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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 establish a drug utilization review program and drug prior authorization program within the Department of Human Services. It would create a separate board to review and recommend what classes of drugs would require prior authorization.

The Department has proposed to implement a prior authorization process through SB 2088. The savings from SB 2088 have been incorporated into the Department's appropriation bill. The delays caused by the requirements of this bill (HB 1430) would reduce the projected savings for prescription drugs by \$2,018,961.

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.*

The reduction in other revenues relates to federal medicaid funds.

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.*

For 2003-2005, grant expenditures would be decreased by \$3,364,934 of which \$1,078,125 would be general funds. This savings would be offset by an increase in operating expenditures from creating and operating a utilization review board and from contracting for prior authorization services. Operating expenditures would increase by \$1,035,040 of which \$517,520 would be general funds.

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 includes the implementation of SB 2088, with a savings of \$3,933,895 of which \$1,000,000 would be general funds. **Passage of this bill in lieu of SB 2088 would require an increase in appropriations for 2003-2005 of \$1,604,001 of which \$439,395 would be general funds.**

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Agency: Human Services
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