

FISCAL NOTE
Requested by Legislative Council
01/03/2003

Bill/Resolution No.: SB 2088

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				(\$2,933,895)		(\$3,261,577)
Expenditures			(\$1,000,000)	(\$2,933,895)	(\$1,178,316)	(\$3,261,577)
Appropriations						

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 permits the Department of Human Services to establish a prior authorization process for perscription drugs provided through the Medicaid Program. It would allow the Medicaid Program to establish a list of preferred drugs that would not require prior authorization. Drugs not on the list would require prior authorization before payment would be made by the Department. The fiscal impact of this bill has been included in the Executive Budget.

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.*

Grant expenditures have been decreased by \$5,383,895, with \$1,725,000 being general funds.

This anticipated savings is offset by an increase in operating expenditures of \$1,450,000, with \$725,000 being general funds for the contracting of program services.

This amounts to a net decrease in expenditures of \$3,933,895 with \$1,000,000 being 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 2003 - 2005 Executive Budget includes the prior authorization process for prescription drugs. **If this bill does not pass, \$3,933,895 would need to be added to Medical Services budget, with \$1,000,000 being general funds .**

Name: Debra A. McDermott
Phone Number: 328-3695

Agency: Human Services
Date Prepared: 01/15/2003