

FISCAL NOTE
Requested by Legislative Council
02/22/2021

Amendment to: HB 1233

- 1 A. **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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$375,000		
Appropriations						

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1233 defines requirements for NDPERS have an audit performed of their Pharmacy Benefit Manager (PBM).

- B. **Fiscal impact sections:** *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.*

HB 1233 contains requirements that are several different audit types. The NDPERS Health Plan consultant reviewed the bill and broke down the audit types and their approximate fee range. Claims/eligibility audit - \$100,000-\$200,000; Performance guarantee audit - \$50,000-\$200,000; Clinical/fraud waste audit - \$100,000-\$250,000; Rebate audit - \$75,000-\$150,000; Validation of Benefits audit - \$50,000-\$75,000.

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.*

N/A

- 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.*

The fiscal note assumes the lower cost audit estimates listed above (\$375,000) for one PBM audit of the main health plan. NDPERS would need to issue an request for proposal an go through a procurement process. The resulting cost could be different.

- C. **Appropriations:** *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.*

NDPERS has a continuing appropriation for consultant and auditing services. The cost for this would come from the health plan reserves.

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