

FISCAL NOTE
HOUSE BILL NO. 1451
LC# 25.0748.01000
01/23/2025

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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$3,053,476	\$5,808,524	\$3,072,000	\$5,760,000
Appropriations			\$3,053,476	\$5,808,524	\$3,072,000	\$5,760,000

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

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 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).

HB 1451 requires ND Medicaid (including expansion) to provide comprehensive coverage of anti-obesity treatment. Of the treatments mentioned, drugs and therapy would be new costs. The notice requirements would be new costs for traditional Medicaid.

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.

HB 1451 requires comprehensive coverage of anti-obesity medications. Currently, ND Medicaid covers a variety of oral medications for obesity. The change would be coverage of injectable and potentially branded oral anti-obesity medications.

Roughly 13 state Medicaid agencies have elected to cover anti-obesity medications (it is an optional service). Utilizing the prevalence rate of a recent new coverage state in the midwest (Kansas), the total impact for adding medications is \$4.4 million each year of the biennium, which is a 10% increase from our current budget.

The department would need to provide, in writing, notice to enrollees regarding the coverage, no later than December 31, 2025. We estimate the cost for mailing will be \$30,000.

Medicare currently covers counseling. Using the Medicare utilization billed to ND Medicaid as crossovers, this coverage would result in a \$16,000 per year increase in cost.

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.

Not Applicable

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.

HB 1451 requires ND Medicaid (including expansion) to provide comprehensive coverage of anti-obesity treatment. Of the treatments mentioned, drugs and therapy would be new costs. The notice requirements would be new costs for traditional Medicaid.

Year 1: The department would need to provide, in writing, notice to enrollees regarding the coverage. We estimate the cost for mailing will be \$30,000.

The total projected costs related to HB 1451 for the 2025-27 biennium are as follows;
Operating Expenses are \$30,000 of which \$15,000 is General;
Grants - Medical Assistance is \$8,832,000 of which \$3,053,476 is General.

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.

For the 2025-2027 biennium, the Department of Health and Human Services would need appropriation increases to the base budget for SB 2012 in the following line items;
Operating Expenses of \$30,000 of which, \$15,000 is General;
Grants - Medical Assistance is \$8,832,000 of which \$3,053,476 is General.

For the 2027-2029 biennium, the Department of Health and Human Services would need appropriation authority in the following line items;
Grants - Medical Assistance line of \$8,832,000 of which \$3,072,000 is General.

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