

**FISCAL NOTE**  
**HOUSE BILL NO. 1584**  
**LC# 25.1281.03000**  
**04/07/2025**  
**Revised - 04/07/2025**

## 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			\$(8,000,000)	\$1,734,053		
Expenditures				\$2,250,000		
Appropriations						

## 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 1584 grants the Insurance Department the authority to regulate Pharmacy Benefit Managers. It also closes the Drug Pricing Transparency Fund, the transfers its remaining balance, and establishes a continuing appropriation to the Insurance Regulatory Trust Fund

## 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.*

Section 1: Undetermined amount on the application fees but could be \$10,000 per fee.

Section 2: Continuing Appropriation for the Insurance Regulatory Trust Fund to implement the policy changes and establish the program.

Section 11: The state board of pharmacy may deposit up to six hundred dollars of every eligible wholesaler license

fee and every virtual wholesaler license fee collected to the insurance regulatory trust fund.  
Section 12: Repeal of 26.1-36.10, which has the drug pricing fund language.  
Section 14: Transfer any money in the drug pricing fund to the insurance regulatory trust fund.

## 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.*

Due to the continuing appropriation in section 2, there will be no turnback to the general fund which we are estimating to be 4 million per fiscal year or 8 million for the 25-27 biennium. The other funds is seeing an increase due to the closure of the Drug Pricing Transparency Fund which transfers \$1,626,053.27 to the Insurance Regulatory Trust fund plus any fees collected averaging \$54,000 per fiscal year or a total of \$1,734,053. It is hard to estimate the number of licenses we would issue referenced in Section 1.

## 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.*

The estimated expenditures would reflect operational costs, as well as salary and fringe benefits, associated with establishing the division. While it is difficult to determine the exact staffing requirements at this stage, the preliminary assumption includes two attorneys, one pharmacist, two examiners, and two analysts, but is unknown hence section 13 in the bill. The estimated expenditure is based on an estimate of seven FTEs.

## 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.*

No appropriation necessary as the bill states a continuing appropriation.

## Contact Information

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