

FISCAL NOTE
HOUSE BILL NO. 1584
LC# 25.1281.04000
04/15/2025

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				\$1,734,053		
Expenditures				\$1,138,987		
Appropriations				\$1,200,000		

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 1584 grants the Insurance Department the authority to regulate Pharmacy Benefit Managers. It also closes the Drug Pricing Transparency Fund, transfers its balance, establishes a new Fund, and provides an appropriation and 3 ftes.

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 10: 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 pharmacy benefit manager enforcement fund.

Section 11: Repeal of 26.1-36.10, which has the drug pricing fund language.

Section 12: Transfer any money in the drug pricing fund to the pharmacy benefit manager enforcement fund.
Section 13: Appropriation of 3 ftes and \$1,200,000.

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.

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 pharmacy benefit manager enforcement 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. This includes one attorney, a pharmacist, and an investigator.

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.

appropriation is set at \$1,200,000 from the pharmacy benefit manager enforcement fund.

Contact Information

Name: Rachel Kriege

Agency: Insurance

Telephone: 7013282931

Date Prepared: 04/15/2025