FISCAL NOTE

Requested by Legislative Council

02/11/2003

Amendment to: HB 1430

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	$0	$0	$0	$22,704	$0	$23,493
Expenditures	$0	$0	$22,704	$22,704	$23,493	$23,493
Appropriations	$0	$0	$1,022,704	$2,956,599	$0	$0

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 as amended would establish a drug utilization review program and drug prior authorization program within the Department of Human Services. It would create a separate board to review and recommend what classes of drugs would require prior authorization. It would also created potential legal consequences that would make providing prior authorization services prohibitive to outside vendors; therefore no savings would be realized for prescription drugs.

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.*

Other revenues relate to federal medicaid funds for board expenses at the administrative match rate of fifty percent.

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.*

For 2003-2005, operating expenditures would consist of $45,408 in board costs at the administrative match rate of fifty percent.

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 Executive Budget includes savings of $3,933,895 of which $1,000,000 is general funds for prior authorization. This bill as amended would make it impraticable for outside vendors to provide prior authorization services; therefore the Department's appropriation authority for the 2003-2005 biennium would need to be increased by $3,933,895, with $1,000,000 being general funds.

Also the operating authority would need to be increased by an additional $45,408, with $22,704 being general funds for

the cost of the review board.

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