



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2021 Biennium

**Bill #** HB0344

**Title:** Require transparency reporting of pharmacy benefit managers

**Primary Sponsor:** Kelker, Kathy

**Status:** As Amended in Senate Committee

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 344 has no fiscal impact to the State Auditor's Office, since the duties required by this legislation can be performed by the office without the need for additional resources.

### FISCAL ANALYSIS

#### Assumptions:

##### **State Auditor's Office**

- As written, HB 344 requires the State Auditor's Office to collect reports from pharmacy benefit managers on an annual basis, publish the reports on the commissioner's website, and impose fines for non-compliance after a hearing as required by 33-1-317, MCA. These duties can be performed by the State Auditor's Office without the need for additional resources.

#### Technical Notes:

##### **State Auditor's Office**

- Section 1, subsection (2)(b) requires the pharmacy benefit manager to provide information regarding the administrative fees received from "pharmaceutical manufacturers for all health insurance issuers and each health benefit plan." This may be an erroneous reference, as pharmacy benefit managers typically receive administrative fees from issuers and plans, but not typically from manufacturers. As written, this section may yield little to no reportable data.

2. Section 1, subsection (5) allows for a \$1,000 penalty per day for non-compliance. This section conflicts with the commissioner’s statutory authority to impose penalties up to \$25,000 under 33-1-317, MCA, and is a substantially smaller penalty than that imposed upon other entities for like conduct.

KAK

Sponsor’s Initials

03/25/2019

Date

TL

Budget Director’s Initials

3/23/19

Date