



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0484

Title: Require state programs to participate in a health information exchange

Primary Sponsor: Gillette, Jane

Status: As Introduced

- 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 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other	\$213,905	\$187,810	\$190,627	\$193,486
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 484 requires the State Employee Group Benefits Plan and the Montana University System Group Insurance Plan to participate in a secure statewide health information exchange. There is a fiscal impact to both plans to establish the health information exchange and to continue the exchange subscription.

FISCAL ANALYSIS

Assumptions:

Department of Administration

1. HB 484 requires the State Employee Group Benefits Plan (Plan) to provide eligibility and claims data to the health information exchange in the state.
2. Big Sky Care Connect is the health information exchange within the State of Montana. The Plan is currently not a participating entity with the exchange.
3. Big Sky Care Connect has indicated the onboarding cost for payors is estimated to be \$60,000. The onboarding services include connectivity and interfaces, training, and user account set up.
4. Big Sky Care Connect has indicated the ongoing subscription cost beginning January 2022 is \$0.35 per member per month.
5. The Plan had 28,888 covered lives as of February 1, 2021.
6. The estimated monthly subscription cost beginning January 1, 2022 is \$10,110.80 (28,888 x \$0.35).
7. The estimated cost to the Plan for fiscal year 2022 is \$120,664.80 (\$60,000 onboarding + \$10,110.80 x 6 months)

Fiscal Note Request – As Introduced

(continued)

8. The estimated annual cost to the Plan is \$121,330 (\$10,110.80 x 12 months) for fiscal year 2023, \$123,150 for fiscal year 2024, and \$124,997 for fiscal year 2025. A 1.5% inflationary factor is added to fiscal years 2024 and 2025.
9. The Plan is not anticipating an additional cost from the current medical third-party administrator or pharmacy benefit manager to provide the required data files.

Office of the Commissioner of Higher Education

10. The Montana University System Group (MUS) Group Insurance plan would utilize Big Sky Care Connect (BSCC) for to provide eligibility and claims data to the health information exchange.
11. Big Sky Care Connect will charge a \$60,000 one-time set up fee for connectivity, interfaces, and training. Additionally, BSCC will require on on-going fee of \$0.35 per member per month.
12. The MUS plan averages 15,828 members (15,828 * \$0.35 = \$5,540 per month). For fiscal year 2022, it is assumed that the six months of subscription costs will be charged, beginning January 1, 2022. The estimated cost to the MUS Group Insurance Plan would be \$33,240 (\$5,540 x 6 months).
13. The estimated cost to the MUS Group Insurance Plan is \$66,480 for fiscal year 2022 (\$5,540 x 12 months), \$67,477 for fiscal year 2024, and \$68,489 for fiscal year 2025. A 1.5% inflationary factor is added to fiscal years 2024 and 2025.

Department of Public Health and Human Services

14. The Department of Public Health and Human Services is already doing, or has plans to do, everything required in HB 484.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Oper. Expense - State Plan	\$120,665	\$121,330	\$123,150	\$124,997
Oper. Expense - MUS Group Ins	\$93,240	\$66,480	\$67,477	\$68,489
TOTAL Expenditures	<u>\$213,905</u>	<u>\$187,810</u>	<u>\$190,627</u>	<u>\$193,486</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - State Plan	\$120,665	\$121,330	\$123,150	\$124,997
Other - MUS Group Insurance	\$93,240	\$66,480	\$67,477	\$68,489
TOTAL Funding of Exp.	<u>\$213,905</u>	<u>\$187,810</u>	<u>\$190,627</u>	<u>\$193,486</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - State Plan	\$0	\$0	\$0	\$0
Other - MUS Group Insurance	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - State Plan	(\$120,665)	(\$121,330)	(\$123,150)	(\$124,997)
Other - MUS Group Insurance	(\$93,240)	(\$66,480)	(\$67,477)	(\$68,489)

NOT SIGNED BY SPONSOR

_____ Sponsor's Initials	2/25/21 _____ Date	KA _____ Budget Director's Initials	2/25/21 _____ Date
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