



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0664

Title: Create insulin safety net program

Primary Sponsor: Sullivan, Katie

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</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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$7,939	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$7,939	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This legislation will require licensure for insulin manufacturers who sell their product in Montana and will require reporting of use of the insulin safety net program to the Board of Pharmacy by pharmacies, and in turn, reporting from the board to the Montana Legislature. Fiscal impact will be rulemaking expenses for a new license type, fees, and the process required for a pharmacy to submit claims for reimbursement under the program, as well as reporting requirements for pharmacies and manufacturers.

FISCAL ANALYSIS

Assumptions:

1. The Board of Pharmacy will need to draft rules in order to implement this legislation. Based on the board's current rules, it is estimated there will be a minimum of eight pages for a proposed rule notice, and a three page adoption notice, with a cost to the board from the Secretary of State of \$660 for printing and publication of the notice and adoption.
2. The board will hold a public hearing for a maximum of two hours to take comments from the public on the proposed rules with a hearing officer and court reporter to record comments and provide a transcript. The estimated cost is \$459.

3. The board will also notify interested parties, licensees, pharmacy association members, and the Department of Public Health and Human Services regarding the proposed rules and the availability of the program. The board has approximately 7,000 licensees and makes every attempt to utilize email addresses for all contact. However, it is assumed there will be at least ten percent of licensees that will not have a valid email address and will need to be contacted by postal mail.
4. It is assumed the mailing for those licensees unable to be contacted via email will be an expense to the board of \$700 to contact licensees by post card directing them to the board's website for information on the proposed rules and informing them on how to attend the hearing, provide public comment in person, or send written comments.
5. The board will utilize additional legal services to draft the notice, assist in responding to comments, and prepare the adoption notice to add this new license type. The estimated cost to the board for additional time for board counsel and the legal unit rule reviewer is \$6,120.
6. The total rulemaking costs are \$7,939.
7. The new license type will need to be set up in the board licensing database, including application record, renewal and compliance record, and any other requirements indicated in rules. The board will update forms and the board website. The licensee lookup feature for public access will need to have the new license data and information added, in addition to information for the public on how to apply for the program through their local pharmacy. Department of Labor and Industry's Technology Services Division (TSD) estimates it will spend 350 hours to design, develop, program, script, and test in order to set up this new license type and program. The division will bill the board directly, and total cost is estimated at \$29,400. Work will be completed by existing staff and contractors using existing department appropriation. This assumption is not included in the tables.
8. Program education and outreach will be performed by the Board of Pharmacy Executive Officer (EO) and the board's staff, who will provide ongoing notifications by email, newsletter, and web postings. The EO will also work with TSD to develop forms and program application materials to post online to be made available for pharmacies to use in conjunction with providing services to eligible program participants.
9. The current estimate for probable licensees is ten, but this number is likely to increase over the next five years as market changes occur and more insulin manufacturers apply for licensure in Montana. License fees are unknown at this time but will be set commensurate with costs. It is assumed that revenue for this licensure will not be collected until late in FY 2022.

Fiscal Note Request – As Introduced

(continued)

	<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>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$7,939	\$0	\$0	\$0
TOTAL Expenditures	\$7,939	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$7,939	\$0	\$0	\$0
TOTAL Funding of Exp.	\$7,939	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$7,939	\$0	\$0	\$0
TOTAL Revenues	\$7,939	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. Similar legislation in Minnesota was the subject of federal takings litigation. Though dismissed, the order left open the possibility for litigation in the future.

NOT SIGNED BY SPONSOR

_____ 4/5/21 _____ KA _____ 4-1-21
 Sponsor's Initials Date Budget Director's Initials Date