



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** SB0137

**Title:** Establishing requirements for transparency in prescription drug costs

**Primary Sponsor:** Fitzpatrick, Steve

**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>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$57,862	\$47,462	\$48,076	\$48,797
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$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:** This bill creates the Montana Prescription Drug Transparency Act, requiring the Commissioner of Securities and Insurance to develop a website, adopt rules, and assess a penalty.

### FISCAL ANALYSIS

#### Assumptions:

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

1. The Commissioner of Securities and Insurance (CSI) will contract to develop a website to include pharmaceutical drug manufacturer (PDM) reports. The cost to contract is estimated at \$7,000 in FY 2022.
2. The CSI may adopt rules necessary to implement the requirements of the bill. The cost of the rules adoption is expected to be \$600 in FY 2022.
3. The CSI shall ensure the timely submission of the various reports required by the bill and will review these reports to ensure they retain the information required by the bill as well as information subsequently identified by rulemaking.
4. To administer these ongoing duties and responsibilities, a 0.50 FTE Program Specialist will be hired. Total personal services costs for salaries and benefits are estimated to be \$39,962 in FY 2022 and 2023, \$40,463 in FY 2024, and \$41,070 in FY 2025.

5. Operating costs related to the 0.50 FTE Program Specialist include rent, phone, and miscellaneous charges. For FY 2022, a one-time office package (\$1,600) and computer costs (\$1,200) are also included. Costs are estimated at \$10,300 in FY 2022, \$7,500 in FY 2023, \$7,613 in FY 2024, and \$7,727 in FY 2025.
6. Personal services and operating costs include an inflationary adjustment of 1.5% in FY 2024 and 2025.
7. The CSI shall assess a penalty against a PDM for non-compliance with the provisions of the bill. The amount of revenue resulting from potential penalties is not estimable.
8. Any potential penalties must be used to offset the costs of administering the requirements of this bill.
9. Any money from assessed penalties remaining, after paying for the costs of administering the bill, must be deposited in the general fund.

**Department of Labor and Industry**

10. There is no impact to the Department of Labor and Industry from SB 137, since the department will continue to administer the Montana Prescription Drug Registry, which is a separate database.

	<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>
<b><u>Fiscal Impact:</u></b>				
FTE	0.50	0.50	0.50	0.50
<b><u>Expenditures:</u></b>				
Personal Services	\$39,962	\$39,962	\$40,463	\$41,070
Operating Expenses	\$17,900	\$7,500	\$7,613	\$7,727
<b>TOTAL Expenditures</b>	<u>\$57,862</u>	<u>\$47,462</u>	<u>\$48,076</u>	<u>\$48,797</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$57,862	\$47,462	\$48,076	\$48,797
<b>TOTAL Funding of Exp.</b>	<u>\$57,862</u>	<u>\$47,462</u>	<u>\$48,076</u>	<u>\$48,797</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$57,862)	(\$47,462)	(\$48,076)	(\$48,797)

**NO SPONSOR SIGNATURE**

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Sponsor's Initials

1/29/21  
Date

KA  
Budget Director's Initials

1/20/21  
Date