

OFFICE OF FISCAL ANALYSIS

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sHB-6096

AN ACT LIMITING CHANGES TO PRESCRIPTION DRUG
FORMULARIES AND LISTS OF COVERED DRUGS.

As Amended by House "A" (LCO 10394)

House Calendar No.: 249

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill is not anticipated to result in a fiscal impact to the state employee and retiree health plan as the bill is not interpreted to materially modify the pharmacy benefit manager's administration of the plan's formulary compared to current practice given the \$40 copay cap in the bill.

The bill will increase costs to certain fully insured municipal plans to comply with the provisions of the bill if the plans are not otherwise excluded by the copay cap. There will be a cost to the extent the bill's provisions impact a municipal plan's ability to modify their formulary during a plan year, predominately resulting in a reduction in the amount of drug rebates. The coverage requirements will result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2020. In addition, many municipal health plans are recognized as "grandfathered" health plans under the Affordable Care Act (ACA). It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of certain municipal plans under ACA. Pursuant to federal law, self-insured health plans are exempt from state health insurance mandates.

House "A" struck the underlying bill and its associated fiscal impact and results in the impact described above.

The Out Years

State Impact: None

Municipal Impact: None

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.