

OFFICE OF FISCAL ANALYSIS

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SB-269

AN ACT CONCERNING THE AVAILABILITY OF GENERIC PHARMACEUTICALS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Resources of the General Fund	GF - Revenue Gain	Potential	Potential
Attorney General	GF - Potential Cost	At least 100,585	At least 104,105
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	At least 42,014	At least 43,485

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill facilitates the process for the state to bring an antitrust action for “pay-for-delay” agreements between pharmaceutical companies in which one company compensates another to delay the introduction of a generic drug into the market.

To the extent this increases the number of antitrust cases handled by the Office of the Attorney General (OAG), there may be costs to the state of at least \$142,599 in FY 22 and \$147,590 in FY 23, including fringe benefits, to hire an additional assistant attorney general to handle any significant caseload. The assistant attorney general would perform litigation (i.e. negotiate settlements and carry-out appeals).

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.77% of payroll in FY 21 and FY 22.

Additionally, external consultants such as an economist or industry expert may be retained by the Attorney General's Office to work on these antitrust cases.

Please note that costs for additional staff, if incurred, may be offset by revenue generated from negotiated settlements.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the number of antitrust cases filed, and the value of negotiated settlements.