

OFFICE OF FISCAL ANALYSIS

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SB-1003

AN ACT PROHIBITING CERTAIN HEALTH CARRIERS AND
PHARMACY BENEFITS MANAGERS FROM EMPLOYING COPAY
ACCUMULATOR PROGRAMS.

AMENDMENT

LCO No.: 7656

File Copy No.: 363

Senate Calendar No.: 230

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$	FY 24 \$
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	None	None	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 22 \$	FY 23 \$	FY 24 \$
Various Municipalities	Potential Cost	None	None	Minimal

Explanation

The amendment strikes the underlying bill and its associated fiscal impact.

For plan years starting on and after January 1, 2024, the amendment prohibits health carriers and pharmacy benefits managers from using

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 41.3% of payroll in FY 22 and FY 23.

copay accumulator programs, thereby potentially increasing the cost of providing benefits to the state employee and retiree health plan and municipalities.

Copay accumulator programs prohibit manufacturer coupons that are provided to enrollees by prescription manufacturers from being applied to the out of pocket cost for the brand name drug. By prohibiting such programs, the bill may increase costs depending on the negotiation of contracts between the state and municipalities and their respective pharmacy benefit managers². Any increased cost will be reflected in premiums for plan years starting on and after January 1, 2024. It is anticipated that the net impact to premiums as a result of the bill will be minimal relative to the overall employer share of the premium.

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.

² There is evidence that the price of couponed drugs rises at a faster rate than non-couponed drugs. Medicare does not permit manufacturer coupons.