

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version HB275  
Fiscal Note Number \_\_\_\_\_  
( ) Publish Date \_\_\_\_\_

Identifier (file name) HB275-DHSS-HCMS-3-9-12 Dept. Affected Health and Social Services  
Title Retiree Benefits: Colorectal/Drug Benefits Appropriation Medicaid Services  
Allocation Health Care Medicaid Services  
Sponsor Lynn  
Requester House Labor and Commerce Committee OMB Component Number 2077

## Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits	85.0		85.0	85.0	85.0	85.0	85.0
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>85.0</b>	<b>0.0</b>	<b>85.0</b>	<b>85.0</b>	<b>85.0</b>	<b>85.0</b>	<b>85.0</b>

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts	42.5		42.5	42.5	42.5	42.5
1003	GF Match	42.5		42.5	42.5	42.5	42.5
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>		<b>85.0</b>	<b>0.0</b>	<b>85.0</b>	<b>85.0</b>	<b>85.0</b>	<b>85.0</b>

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							
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Estimated SUPPLEMENTAL (FY12) operating costs \_\_\_\_\_ (separate supplemental appropriation required,  
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs \_\_\_\_\_ (separate capital appropriation required,  
(discuss reasons and fund source(s) in analysis section)

### Why this fiscal note differs from previous version (if initial version, please note as such)

This is the initial version of the fiscal note for this bill.

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DHSS Finance & Management Services

Phone 907-269-7827  
Date/Time 3/9/12 12:00 PM  
Date 3/9/2012

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BILL NO. HB275

### Analysis

Under this bill, certain group health insurance would have to pay for brand name drugs instead of generics up to the amount they would pay for the generics. In some cases, Medicaid would be a secondary payor. Most of the time, Medicaid could only pay up to the State Maximum Allowable Cost or Federal Upper Limit price for the generic. However, in a small number of cases, the drug would not have a State Maximum Allowable Cost or Federal Upper Limit, and Medicaid would need to pay the full difference between the brand and generic payment rate. This would increase costs to the Medicaid program.

The Department estimates that 500 claims per year would pay at the brand cost instead of the generic cost at an average increased cost of \$170 per claim, for a total increase to the budget of \$85.0. Of this, half would be Federal Receipts and half would be General Fund Match.

The bill also mandates coverage of colorectal screening for the health insurance plans. This provision would have no impact on Medicaid expenditures as it does not cover colorectal screening.