

FISCAL NOTE

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
PRESCRIPTION DRUG IMPORTATION	\$1,699,082	\$2,120,584	\$2,110,584
ACCOUNT			

Source of revenue increase:

Under W.S. 35-7-2201(c) of the bill, the Wyoming Department of Health (WDH) may charge a fee to cover administration of the program. The source of the revenue increase would be the sale of purchased prescription drugs, which would be priced at levels to cover both the cost of imported drugs and the administrative expenses for the agency. For example, for FY2020, revenues reflected in this estimate include estimated cost for purchased drugs, \$1,000,000, plus the estimated administrative costs for the program's initial start-up, \$699,082. The bill provides that the revenue generated from the program would be deposited to the newly created PRESCRIPTION DRUG IMPORTATION ACCOUNT, which would be continuously appropriated to the WDH for ongoing program administration.

Assumptions:

Please see assumptions under the Source of Expenditure Increase. Assumptions and details of the administrative expenses are shown in the Agency Estimate of Administrative Impact.

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
PRESCRIPTION DRUG IMPORTATION	\$1,000,000	\$1,500,000	\$1,500,000
ACCOUNT			

Source of expenditure increase:

The WDH states it is difficult to determine what the overall expenditures for the imported prescription drugs will be.

Assumptions:

Based on preliminary research, the WDH states that the top 30 NDC drugs by claim paid date in Medicaid pharmacy expenditures averaged approximately \$483,000 per drug in SFY2018. However, more research would have to be performed to further identify the three drugs "with the highest potential for consumer savings" per section 35-7-2201(i). The WDH roughly estimates drug costs could be approximately \$1,000,000 in FY2020 as the program is initiated. Immediate future years' expenditures are estimated at \$1,500,000 per year to accommodate program growth.

Both the revenue and expenditure increase estimates rely on the assumption that the new importation program would be able to leverage an existing WDH pharmacy to operate the program. If a new pharmacy must be established and developed, additional revenue would be required to cover these additional expenditures. Also, the WDH states that refrigerated drugs would likely not be able to be supported in this program.

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Health
Board of Pharmacy

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