

**LOCAL GOVERNMENT
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 23, 2017

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
S.B. 265 / BDR 40 - 809

City/County: Carson City				
Approved by: Nancy Paulson, CFO				
Comment: This would have a fiscal impact, but the amount is undeterminable at this time.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: Churchill County				
Approved by: Eleanor Lockwood, County Manager				
Comment: BDR 40-809 may have a fiscal impact to Churchill County, although it is difficult to determine at this time.				
A bill which seeks to require an insurer, inclusive of state and local government, to refund any deductible paid by an insured (employee) for certain diabetes drugs which the County may receive reimbursement of the deductible for in circumstances outlined in this bill, will create a fiscal impact from the time required for a County staff to oversee and process paperwork for these reimbursements. Ultimately, legislation which creates additional mandates or restrictions on drug companies or insurance companies, end up costing them money to implement or comply and those costs are unfortunately passed on in the form of higher insurance premiums, which impact state and local government and the employees who work for them.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Clark County				
Approved by: David Dobrzynski, Asst Director of Finance				
Comment: This bill revises provisions relating to prescription drugs, including imposing additional regulations on prescription drug manufacturers and pharmaceutical sales representatives. Under certain circumstances, manufacturers would be required to reimburse the purchaser of a drug that is included on the State's list of essential drugs for treating diabetes. If an insurer receives such a reimbursement, they will be required to refund any deductible paid by an insured for the drug in an amount not to exceed the amount of the reimbursement. Insurers would also be required to provide notice before each open enrollment period of all drugs that have been or will be removed from the plan's formulary during the current plan year or the next plan year.				
Fiscal impact is undetermined.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Douglas County Approved by: kbeckerbauer, Manager Comment: Cost to Douglas County potential as an insurance carrier if providers see the refunds and reporting requirements as requiring administrative time and effort to process.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: Esmeralda County Approved by: Kelly Jo Eagan, Administrative Asst Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Humboldt County Approved by: Gina Rackley, Comptroller Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Washoe County Approved by: Jamie Rodriguez , Management Analyst Comment: The BDR has a potential impact to our prescription drug costs in our health plans. There is not enough information to get an accurate impact amount.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: White Pine County Approved by: Elizabeth Frances, Finance Director Comment: The exact effects of the new regulations cannot be known. However, further regulations on an industry generally result in higher prices to consumers. This will impact our indigent budget as it applies to medical expense. The overall result will be adverse financial impact in the form of higher expense to the County.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: City of Las Vegas Approved by: Michelle Thackston, Administrative Assistant Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: City of Henderson Approved by: Mike Cathcart, Business Operations Manager Comment: No significant impact to the City of Henderson.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: City of Sparks Approved by: Jeff Cronk, Financial Services Director Comment: Compliance with the provisions of this bill is expected to result in increased prescription drug costs to the City's self-funded health plan by an estimated \$15,000 per year.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$15,000	\$15,000	\$30,000

City/County: City of Reno Approved by: Tillery Williams , Management Analyst Comment: The fiscal impact to the City of Reno cannot be determined at this time due to the unknown of which diabetes drugs might be eliminated or excluded from the Department of Health and Human Services' compiled list of drugs. A potential unintended consequence of this bill is manufacturers deciding not to sell certain essential diabetic drugs in Nevada resulting in limited clinical choices, increased costs of the remaining drugs and possibly driving some of our employees to out of state pharmacies. The increased administrative burden on manufacturers is more likely to increase pharmaceutical costs than lower them. The requirement for the insurer to refund all or part of co-pays or deductibles based on manufacturer rebates and coupons will be a significant administrative burden, driving up Third Party Administrator (TPA) costs to the City of Reno				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Carson City School District Approved by: Andrew J Feuling, Director of Fiscal Services Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Douglas County School District Approved by: KLewis, Director of Human Resources Comment: This bill, as written, is estimated to increase costs to the District by approximately \$30,500.00 each year. The District is self-insured. The bill may also have additional impact on plans which have a coinsurance requirement rather than a copay for one or more drug tiers and for plans which require members to pay the difference between the cost of a brand-name drug and its generic equivalent when the member opts for the generic (potentially minimizes the financial incentive to the member to do so.)				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$30,500	\$30,500	\$30,500

School District: Clark County School District Approved by: Dillon Kay, Assistant Budget Director Comment: Does not appear to have a material impact on CCSD. If passed, the required work could be absorbed into the current workflow.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Humboldt County School District Approved by: David Jensen, Superintendent Comment: We are unable to determine the fiscal impact of the proposed bill, however, insurance companies will increase premiums to offset any language that limits out of pocket costs. As a result, the district would anticipate an increase in premiums, increasing current expenses.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: Lincoln County School District Approved by: Pam Teel, Superintendent Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Lyon County School District Approved by: Shawn Heusser, Director of Finance Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Nye County School District Approved by: Kelly Wood, Executive Secretary Comment: There would be no fiscal impact for Nye County School District.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Pershing County School District Approved by: Russell D. Fecht, Superintendent Comment: No Impact				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: White Pine School District Approved by: Paul Johnson, CFO Comment: Impact can not be determined at this time.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Washoe County School District**

Approved by: Lindsay E. Anderson, Director of Government Affairs

Comment: Washoe County School District expects this legislation will increase the prescription drug costs to the District's self-funded health plan by an estimated \$250,000-\$300,000 per year. It may also have an additional impact on plans that require members to pay the difference between the cost of a brand-name drug and its generic equivalent when the member opts for the generic (potentially minimizes the financial incentive to the member to do so).

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$300,000	\$300,000	\$300,000

The following cities/counties/school districts did not provide a response: Elko County, Eureka County, Lander County, Lyon County, Lincoln County, Mineral County, Nye County, Pershing County, Storey County, Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, Churchill County School District, Elko County School District, Eureka County School District, Esmeralda County School District, Lander County School District, Mineral County School District, and Storey County School District.