

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 23, 2017

Agency Submitting: Department of Health and Human Services, Health Care Financing and Policy

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
BA 3243 Medical costs (Expense)		\$4,144,630	\$4,144,630	\$8,289,260
Total	0	\$4,144,630	\$4,144,630	\$8,289,260

Explanation

(Use Additional Sheets of Attachments, if required)

The bill would require drug manufacturers to provide justification to the Dept. of Health and Human Services for the increase in prices of certain drugs. In addition, it requires drug manufacturers to reimburse valid third party claims the difference between the average wholesale drug pricing offered in Nevada and the foreign price cap for prescription drugs. The bill would result in loss of supplemental drug rebates in the amount of \$4,144,630 in fiscal year 2017-18 and 2018-19 or a total a total of \$8,289,260 for the 2017-2019 biennium. The fiscal impact on future biennia is \$8,289,260

Name Karen Salm

Title ASO IV

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 17, 2017

The agency's response appears reasonable.

Name Nikki Hovden

Title Exec. Branch Budget Officer

Pharmacy distributed perscriptions

<u>Date</u>	<u>After Federal Rebate</u>	<u>After Supplemental Rebate</u>	<u>Total Supplemental Rebate</u>
15-Oct	\$8,921,720.59	\$8,432,520.20	\$489,200.39
15-Nov	\$10,320,746.67	\$9,955,462.10	\$365,284.57
15-Dec	\$11,284,673.17	\$10,909,187.10	\$375,486.07
16-Jan	\$6,515,107.66	\$6,250,182.28	\$264,925.38
16-Feb	\$10,208,870.52	\$9,935,814.68	\$273,055.84
16-Mar	\$11,921,308.12	\$11,631,553.09	\$289,755.03
16-Apr	\$7,506,142.51	\$7,122,167.90	\$383,974.61
16-May	\$11,762,146.65	\$11,448,327.70	\$313,818.95
16-Jun	\$12,472,776.38	\$12,142,162.40	\$330,613.98
16-Jul	\$6,860,842.36	\$6,476,891.90	\$383,950.46
16-Aug	\$12,294,418.22	\$11,993,236.80	\$301,181.42
16-Sep	\$8,504,500.55	\$8,144,185.20	\$360,315.35
Total	\$118,573,253.40	\$114,441,691.35	\$4,131,562.05

Physician Administered Drugs: e.g., in-office shots & treatments

<u>Date</u>	<u>After Federal Rebate</u>	<u>After Supplemental Rebate</u>	<u>Total Supplemental Rebate</u>
15-Oct	\$1,657,510.74	\$1,655,941.50	\$1,569.24
15-Nov	\$1,561,602.39	\$1,560,731.49	\$870.90
15-Dec	\$1,783,788.60	\$1,782,851.70	\$936.90
16-Jan	\$1,665,471.03	\$1,664,762.42	\$708.61
16-Feb	\$1,778,364.95	\$1,777,559.52	\$805.43
16-Mar	\$2,088,332.70	\$2,087,191.79	\$1,140.91
16-Apr	\$1,606,075.15	\$1,604,784.00	\$1,291.15
16-May	\$1,608,317.00	\$1,607,314.00	\$1,003.00
16-Jun	\$1,888,034.12	\$1,886,912.00	\$1,122.12
16-Jul	\$1,638,377.04	\$1,636,863.00	\$1,514.04
16-Aug	\$2,127,311.19	\$2,126,359.00	\$952.19
16-Sep	\$1,737,432.81	\$1,736,279.00	\$1,153.81
Total	\$21,140,617.72	\$21,127,549.42	\$13,068.30

Total Supplemental Rebate Paid for Oct 2015-Sept 2016 *from Dec 2016 Pharmacy Status Report

4,144,630.35