

# BDR 57-467

## SB 404

### EXECUTIVE AGENCY FISCAL NOTE

#### AGENCY'S ESTIMATES

Date Prepared: April 1, 2017

Agency Submitting: Public Employees' Benefits Program

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)

PEBP has reviewed BDR 57-467 and determined that it would require plans to cover any drug prescribed, regardless of the National Comprehensive Cancer Network (NCCN) guidelines – the standard for clinical policy in oncology. This bill prohibits step therapy and, essentially, prior authorization in certain circumstances. PEBP utilizes an Oncology Care Value Program (OCV) which follows the NCCN guidelines. We believe that this bill would require Nevada to remove the OCV program if passed. If a physician prescribes a non-participating drug (one that the manufacturer has not discounted and for which there is no clinical advantage), we would call the doctor to discuss the lower cost alternatives available. That would be prohibited under this bill. The bill effectively removes any incentive for manufacturers to discount their cancer drugs because the law would require payers in the state to cover all of them. PEBP believes the requirements of this BDR will result in an overall increase in claims costs requiring an increase to employer and employee contributions or a reduction to plan benefits. Although there will be a fiscal impact PEBP is unable to determine the cost.

Name Damon Haycock

Title Executive Officer

#### GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, March 27, 2017

The agency's response appears reasonable.

Name Nikki Hovden

Title Exec. Branch Budget Officer