

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> 01-2454/3	<b>Introduction Number</b> AB-265
<b>Subject</b> Removing drug copays from calculation of HIRSP out-of-pocket expenses	
<b>Fiscal Effect</b>	
<b>State:</b>	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
<b>Local:</b>	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.435 (4) (u), 20.435 (4) (v)	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b> DHFS/ Richard Chao (608) 267-0357	<b>Authorized Signature</b> Fredi Ellen Bove (608) 266-2907
<b>Date</b> 4/9/01	

## Fiscal Estimate Narratives

DHFS 4/10/01

LRB Number	<b>01-2454/3</b>	Introduction Number	<b>AB-265</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Removing drug copays from calculation of HIRSP out-of-pocket expenses					

### Assumptions Used in Arriving at Fiscal Estimate

This bill would affect DHFS's Health Insurance Risk Sharing Plan (HIRSP) program. Funding for the HIRSP program is provided by state GPR, policyholder premiums, assessments to the insurance industry, and assessments to health-care providers in the form of provider discounts. Because the level of state GPR support for the program is fixed, policyholders, the insurance industry and health-care providers support any additional cost to the program in a 60/20/20 split, respectively.

This bill modifies the HIRSP program's prescription drug coverage. It requires the Department to establish for prescription drug coverage: copayments, coinsurance rates and copayment and coinsurance out-of-pocket limits over which HIRSP pays 100% of covered prescription drug costs. Any established copayment amount, coinsurance rate, or out-of-pocket limits are subject to the approval of the HIRSP Board of Directors. Currently, it is unknown what copayment amount, coinsurance rate, or out-of-pocket limits will be approved by the HIRSP Board. A fiscal estimate is not possible at this time.

### Long-Range Fiscal Implications