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**LB 1088**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1088 is the Physician and Patient Prescription Protection Act. The bill requires health carriers or pharmacy managers to notify a patient and the patient's physician of a request to change medications to a different therapeutic agent. The Department of Insurance is to create and provide forms for such notifications and develop rules and regulations governing notifications. Violations of the act are punishable by a fine of up to \$25,000.

The Department of Insurance indicates it can handle the responsibilities of the bill with existing staff and resources. It is possible the bill will have a fiscal impact in terms of savings in health insurance costs for insurance plans offered to employees of the state or political subdivisions. The pharmacy benefit manager for the state employee plan currently contacts a physician to switch from a brand drug to a generic. The bill allows the existing practice to be expanded to the dispensing of a chemically different drug. Any fiscal impact is indeterminate.

It is assumed that any fines collected pursuant to the act will accrue to the Permanent School Fund, the interest from which is annually appropriated to public schools.

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

REVIEWED BY	Gary Bush	DATE 2/12/10	PHONE 471-2526
COMMENTS			
DEPT. OF INSURANCE – Concur.			
HHS – No basis to disagree with estimate.			
ADMINISTRATIVE SERVICES – Concur.			