

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6528**  
**BILL NUMBER: SB 131**

**NOTE PREPARED:** Dec 11, 2020  
**BILL AMENDED:**

**SUBJECT:** Disclosures Related to Prescription Drugs.

**FIRST AUTHOR:** Sen. Walker K  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** Beginning January 1, 2022, the bill requires:

- (1) a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide to a covered individual the wholesale acquisition cost of a prescription drug not later than 60 days after the prescription drug is dispensed or administered to the covered individual; and
- (2) a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide a covered individual with the amount of the rebate received by the health plan for a prescription drug dispensed for the covered individual if the amount of the rebate exceeds 15% of the wholesale acquisition cost of the prescription drug.

**Effective Date:** July 1, 2021.

**Explanation of State Expenditures:** *Department of Insurance (DOI):* To the extent that the DOI has oversight of the contract between a health plan and a covered individual, agency workload may increase to evaluate and resolve allegations of failure to notify the covered individual of prescription costs or discounts received. The increased workload is within the routine administrative function of the DOI and expected to be accomplished within existing resource and funding levels. [The DOI is funded through a dedicated agency fund.]

*State Employees Health Plan:* The State Personnel Department's contractor for health plans may have additional administrative workload to provide the wholesale acquisition cost of prescriptions and rebates on all prescriptions purchased. [The administrative costs of large groups cannot exceed 15% of the premium costs under the medical loss ratio provisions of the Affordable Care Act.]

**Explanation of State Revenues:** A covered individual may have a cause of action if an insurer fails to provide the wholesale acquisition price or rebates received. A civil costs fee of \$100 would be assessed when a civil case is filed. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A portion of the fee revenue is transferred to the Indiana Bar Foundation, and one fee is deposited into the State User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** If additional civil actions occur and court fees are collected, local governments would receive additional revenue from both a portion of the civil costs fee and other fees that would be collected.

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:** Trial courts, city and town courts.

**Information Sources:**

**Fiscal Analyst:** Karen Rossen, 317-234-2106.