

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0914
Prime Sponsor(s): Sen. Steadman
 Rep. Young

Date: March 27, 2015
Bill Status: Senate Appropriations
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BILL TOPIC: TOBACCO SETTLEMENT FUNDED DRUG ASSISTANCE PROGRAM

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	\$863,033	\$863,033
Cash Funds	863,033	863,033
FTE Position Change		
Appropriation Required: \$863,033 - Department of Public Health and Environment (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill, **recommended by the Joint Budget Committee**, increases the scope of services of the AIDS Drug Assistance Program within the Department of Public Health and Environment (DPHE) to include additional funding for preventative and nondrug-related health services. The bill also allows the DPHE to use funds appropriated to the program for screening, general medical, preventative, and pharmaceutical costs for qualifying individuals with lower incomes who have AIDS, HIV, viral hepatitis, or a sexually transmitted infection. The bill also makes the following changes:

- creates the Drug Assistance Rebate Fund, consisting of rebates received from pharmaceutical companies, and, subject to annual appropriation, allows the DPHE to expend moneys from the fund for the program;
- expands the duties of the existing subcommittee of the Governor's Advisory Group on HIV and AIDS Policy, which currently only provides advice and recommendations to the DPHE concerning which pharmaceutical products should be listed on the drug formulary for the program, to include providing advice regarding eligibility requirements and uses of program funding;
- provides criteria for prioritizing enrollment in the program among eligible applicants if the program nears its fiscal limits; and
- eliminates end of fiscal year transfers of unexpended and unencumbered moneys in the program fund to the Tobacco Litigation Settlement Cash Fund, and requires that all such moneys remain in the program fund.

Background

Subject to an annual cap of \$5 million, current law allocates 3.5 percent of the tobacco litigation settlement moneys received by the state to the AIDS Drug Assistance Program within the DPHE. Based on the Spring 2015 economic forecast conducted by Legislative Council Staff, the program is anticipated to receive \$3.1 million in tobacco settlement moneys in FY 2015-16.

State Expenditures

Beginning in FY 2015-16, the bill increases expenditures in the Department of Public Health and Environment by \$863,033. These costs are for the provision of expanded services under the Drug Assistance Program. The fiscal note assumes this spending will continue in future fiscal years.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

The bill appropriates \$863,033 from various cash funds to the Department of Public Health and Environment in FY 2015-16, of which:

- \$600,000 is from the newly created Drug Assistance Rebate Cash Fund; and
- \$263,033 is from the AIDS and HIV Prevention Cash Fund.

State and Local Government Contacts

Public Health and Environment

Joint Budget Committee Staff