



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0399.01: Revise prior authorization laws**

Primary Sponsor: **Jonathan Karlen**

Status: **As Introduced**

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 399 generally revises existing laws regarding prior authorization for prescription drugs, placing restrictions on when health insurance issuers can require it. This bill prohibits prior authorization for oral and inhaled generic prescription drugs, inhaled prescription drugs used to treat asthma, chronic obstructive pulmonary disease, or chronic lung disease, and insulin for patients with diabetes. Revisions also require insurers to provide a list of reasonable therapeutic alternatives if the insurer denies prior authorization for a prescription drug. There is no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions

Department of Administration

1. The removal of prior authorizations will affect Title 33 entities, not the State Health Benefit Plan, which is Title 2.

Department of Public Health and Human Services

2. HB 399 revises prior authorization laws but does not reference Medicaid within the bill. This will have no fiscal impact on the Department of Public Health and Human Services.

State Auditor's Office

3. HB 399 generally revises existing laws regarding prior authorization for prescription drugs, placing restrictions on when health insurance issuers can require it. The revisions could cause an increase in enforcement on the part of the State Auditor's Office (SAO). The SAO can cover any additional enforcement activities with existing staff.



Sponsor's Initials Date



Budget Director's Initials 2/26/2025
Date