

State Impact

This bill establishes the Utah Pharmaceutical Insurance Program. Enrollment in the program is subject to eligibility criteria and Legislative funding. It is estimated that 35,000 citizens would qualify for the benefits provided in the bill. Assuming that all 35,000 individuals enroll in the program and the Legislature appropriates the necessary funding, the revenue and expenditures would be as listed.

Income from enrollment fees would generate \$3.5 million. Assuming an average cost per prescription (net of rebates and co-payments) of \$29, and 2 prescriptions per member per month, the expenses would be \$24.36 million annually. Administrative costs are expected to be \$1.2 million, as authorized in the bill. Assuming that the program begins on October 1, 2004, the total costs would be 75 percent of the annual costs. It is estimated that approximately 55 percent of the eligible population would drop out on January 1, 2006 when the federal Medicare Prescription Drug Benefit begins. This would result in total FY 2006 costs of approximately \$18.5 million.

Appropriations at any other level would adjust the enrollment revenue, total expenditures, and the number of covered individuals.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$15,683,500	\$14,952,700	\$0	\$0
Dedicated Credits Revenue	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
TOTAL	\$19,183,500	\$18,452,700	\$3,500,000	\$3,500,000

Individual and Business Impact

Individuals with incomes under 200 percent of the Federal Poverty Level who currently do not have insurance that covers prescription drugs would be able to enroll in this program at an annual cost of \$100. They could then have prescription drug benefits available to them, after making a co-payment for each prescription.

Office of the Legislative Fiscal Analyst