



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1260

PRINTERS NO. 2320

PRIME SPONSOR: Thomas

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
Pharmaceutical Assistance Fund	See Fiscal Impact	

**SUMMARY:** House Bill 1260, Printer's Number 2320, amends the State Lottery Law to expand the income eligibility limits for the PACENET program, eliminate the PACENET premium "clawback," and permit the Department of Aging to require PACE and PACENET enrollees to enroll in Medicare Part D. This legislation is effective in 60 days.

**ANALYSIS:** HB 1260 increases the maximum income eligibility limits for PACENET by \$6,000, from \$27,500 to \$33,500 for an individual and from \$35,500 to \$41,500 for a married couple.

The bill also provides that a PACENET enrollee who is not enrolled in Medicare Part D or who is enrolled in a Medicare Part D plan that partners with the Department of Aging shall not pay a monthly premium for any month in which the enrollee does not receive a prescription. This provision eliminates the PACENET premium "clawback" for enrollees who pay their monthly premiums at the point of sale and who have intermittent prescription needs.

Additionally, the bill allows the department to require a PACE or PACENET enrollee to enroll in Medicare Part D and directs the Pharmaceutical Assistance Advisory Board to advise the department on development and modernization of the PACE and PACENET program in a fiscally responsible manner.

**FISCAL IMPACT:** Over fiscal years 2021-22 and 2022-23, the bill is estimated to result in net savings of approximately \$3.5 million to the Pharmaceutical Assistance Fund. According to the Department of Aging, allowing the department to require a PACE or PACENET enrollee to enroll in Medicare Part D will save approximately \$24.3 million and eliminating the PACENET premium "clawback" will cost approximately \$3 million. Expanding the PACENET maximum income eligibility limits by \$6,000 is estimated to increase PACENET enrollment by more than 24,000 individuals by fiscal year 2022-23 at an estimated cost of approximately \$17.8 million.

**PREPARED BY:** Ann Bertolino  
House Appropriations Committee (R)

**DATE:** October 27, 2021

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*