

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1260

**PRINTER'S NO.** 2320

**AMOUNT**

See Fiscal Impact

**FUND**

Lottery Fund

**DATE INTRODUCED**

April 21, 2021

**PRIME SPONSOR**

Representative Thomas

**DESCRIPTION**

House Bill 1260 amends the State Lottery Law to expand PACENET eligibility; eliminate monthly premiums on PACENET claimants; and provide discretion to the Department of Aging (department) to enroll PACENET claimants in a Medicare Part D plan.

The bill expands the eligibility of the PACENET program from \$27,500 to \$33,500 for single individuals and from \$35,500 to \$41,500 for married couples.

The bill eliminates the "clawback" provision for PACENET cardholders who pay their monthly premiums at the point of sale and who have intermittent prescription needs.

The bill allows the program to require that a PACE or PACENET cardholder enroll in a Medicare Part D program that meets the enrollee's prescription drug needs and pharmacy preferences in the most cost-effective manner for the Commonwealth. The bill also directs the Pharmaceutical Assistance Advisory Board to advise the department on the development and modernization of the PACE and PACENET programs in a fiscally responsible manner.

This act shall take effect in 60 days.

**FISCAL IMPACT:**

House Bill 1260 is estimated to save the Lottery Fund a net estimated \$800,000 in the second year and thereafter once full utilization has occurred. The bill increases costs related to elimination of the monthly premium and increased number of consumers by increasing the PACENET income threshold by \$6,000. These costs are offset by the programmatic savings related to the requirement of enrolling in Medicare Part D to reduce the prescription costs for PACE/PACENET enrollees.

**Costs:**

- \$3.9 million for the elimination of the monthly premium. This assumes 170,658 recipients receiving 15.68 claims/year and \$1.44 premium/claim; and

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

- \$9 million for an increased number of consumers by increasing the PACENET income threshold by \$6,000. This assumes 18,868 new recipients costing \$477.01 annually.

### **Savings:**

- \$13.7 million for the requirement of enrolling in Medicare Part D to reduce the prescription costs for PACE/PACENET enrollees. This assumes 8,775 recipients enrolling in Part D will provide an annual savings of \$1,558 per recipient.