

# **SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE**

**BILL NO.** Senate Bill 668

**PRINTER'S NO.** 756

**AMOUNT**

See Fiscal Impact

**FUND**

Lottery Fund

**DATE INTRODUCED**

May 11, 2021

**PRIME SPONSOR**

Senator J. Ward

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 668 amends the State Lottery Law to expand PACENET eligibility; eliminate monthly premiums on PACENET claimants; and provide discretion to the 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 allows the department to have the discretion (instead of recommending) to require that a claimant enroll in a Part D plan that meets the prescription drug needs and pharmacy preferences of the claimant.

Senate Bill 668 removes the requirement that a PACENET claimant pay a monthly premium if not enrolled in a Part D plan. The bill removes the requirement that Part D enrollees enrolled in PACENET shall pay the Part D premiums charged by their prescription drug plan.

This act shall take effect in 60 days.

**FISCAL IMPACT:**

Senate Bill 668 is estimated to save the Lottery Fund a net estimated \$800,000. 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

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- \$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.