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Fiscal Note

April 10, 2024

TO: Members of the Senate Health & Human Services Committee

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SUBJECT: Fiscal Assessment of Proposed Amendment L.003 to Senate Bill 24-054

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.003 to SB24-054. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment L.003 limits Medicaid coverage of weight loss medication for chronic obesity and pre-diabetes to patients with HbA1c levels of 5.6 percent or higher unless their health care provider recommends bariatric surgery.

Fiscal Impact of Amendment

Amendment L.003 limits the newly eligible population for weight loss medication by about 90,000 clients. An estimated 120,000 clients remain eligible. Other assumptions around demand and supply constrictions remain unchanged, resulting in an estimated 10,000 Medicaid members using weight loss medication under the bill in the first year, which is expected to increase to around 21,000 by the third year.

Bill's Revised Fiscal Impact with Amendment

Table 1, on the following page, shows the fiscal impact of the bill if Amendment L.003 is adopted.



Table 1
State Fiscal Impacts Under SB 24-054 with Amendment L.003

		Budget Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
Revenue		-	-	-
Expenditures	General Fund	\$11,210,763	\$23,774,389	\$29,273,495
	Cash Funds	\$3,522,329	\$8,271,030	\$10,246,584
	Federal Funds	\$37,974,241	\$86,694,876	\$107,236,017
	Centrally Appropriated	\$1,886	\$1,886	\$1,886
	Total Expenditures	\$52,709,219	\$118,742,181	\$146,757,982
	Total FTE	0.1 FTE	0.1 FTE	0.1 FTE
Diversions	General Fund	(\$9,219)	(\$9,219)	(\$9,219)
	Cash Funds	\$9,219	\$9,219	\$9,219
	Net Diversion	\$0	\$0	\$0
Other Budget Impacts	General Fund Reserve	\$1,681,614	\$3,566,158	\$4,391,024