

UNSOLICITED
EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 3, 2023

Agency Submitting: Public Employees' Benefits Program

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Expense (Expense)		\$1,125,000	\$1,500,000	\$3,000,000
Total	0	\$1,125,000	\$1,500,000	\$3,000,000

Explanation

(Use Additional Sheets of Attachments, if required)

Step therapy exists to keep drug costs down by having patients try less expensive alternatives prior to moving to the more expensive drug. In almost 40% of cases, patients found the less expensive alternative is an effective option. It is reasonable to assume that if step therapy can be bypassed, it would be bypassed approximately 40-50% of the time. This will drive utilization of more costly drugs and potentially have a +1.5M/year impact on PEBP.

Name Laura Rich

Title Executive Officer