



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

May 29, 2024

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### **S.98 – An act relating to Green Mountain Care Board authority over prescription drug costs and the Green Mountain Care Board nomination and appointment process**

**As Passed by the General Assembly**

#### **Bill Summary**

The bill would require that the Green Mountain Care Board (GMCB) create a framework and methodology for implementing a program to regulate the cost of prescription drugs in Vermont. The bill would create two permanent classified positions at the GMCB to lead the development and implementation of the prescription drug regulation program. In fiscal year 2025, it would appropriate \$495,000 from the Evidence-Based Education and Advertising Fund to the GMCB for the following purposes:

- \$245,000 to fund the two positions:
  - one Director of Prescription Drug Pricing; and
  - one Policy Analyst for Prescription Drug Pricing.
- \$250,000 (one-time) to contract with experts on prescription drug-related issues.

Finally, the bill would amend the statute to include the GMCB prescription drug cost regulation initiatives as an allowable use of funds from the Evidence-Based Education and Advertising Fund.

#### **Background and Details**

The Evidenced-Based Education and Advertising Fund is funded by a manufacturer fee of 1.75% of the Department of Vermont Health Access' (DVHA) prescription drug spending in the previous calendar year, based on manufacturer labeler codes as used in the Medicaid Rebate Program.<sup>1</sup> Money from the Fund can only be used for activities enumerated in 33 V.S.A. § 2004a.<sup>2</sup>

Sec. 2 of the bill would amend the statute to include GMCB prescription drug cost regulation initiatives as an allowable use of Fund monies.

According to the Vermont Department of Health (VDH), the Fund is estimated to have an unobligated balance of \$5.2 million at the close of fiscal year 2024. Given the current balance, and assuming revenues remain consistent, there should be sufficient funds to sustain both the current spending levels and the new spending in S.98 through fiscal year 2026.

<sup>1</sup> 33 V.S.A. § 2004

<sup>2</sup> 33 V.S.A. § 2004a

## **Fiscal Summary**

The bill would appropriate \$495,000 from the Evidence-Based Education and Advertising Fund to the GMCB in fiscal year 2025 for the following purposes:

- \$245,000 to fund two positions created in the bill; and
- \$250,000 to contract with experts on prescription drug-related issues.

The position costs would be ongoing; the contract costs would be a one-time expense.