

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: November 14, 2016

SUBJECT: Fiscal Impact Statement – “Specialty Drug Copayment Limitation Act of 2016”

REFERENCE: Bill 21-32, Committee Print provided to the Office of Revenue Analysis on November 3, 2016

Conclusion

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

Background

The bill limits insurance copayments or coinsurance costs to \$150 per month for 30-day supplies of prescription drugs in health benefit plans that cover prescription drugs on a specialty tier. The bill defines specialty drugs as those that treat progressive, debilitating illnesses, or illnesses that affect fewer than 200,000 people. The drugs must cost more than \$600 per month, require unique storage or shipment, such as refrigeration, or require special patient education or support. The copayment limit will increase according to general consumer inflation¹ on July 1 each year.

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The requirement will affect copays that health insurance policies can require, but will not affect Medicaid and will not directly impact the District budget and financial plan. The Department of Insurance and Banking can manage enforcement of the bill within its existing resources.

¹ The percent increase will equal the percentage change from the preceding year in the medical care component of the March Consumer Price Index for All Urban Consumers, Washington-Baltimore, from the U.S. Department of Labor, Bureau of Labor Statistics.