

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research  
733-4910

Prepared By: Gregory Berns	Date Prepared: 4-20-89	Bill No.: H 1089	Edition: 1
Approved By: Tom Covington TOMC	4/24/89		Sponsor: Rep. Hall
Short Title: The Anti-retroviral Drug Process			

TYPE OF FISCAL IMPACT	COUNTY		FUNDS AFFECTED:			
	State Gov't	Local Gov't	(x) General	( ) Highway	( ) Other: Local	
			State Fiscal Impact	FY 89-90	FY 90-91	FY
No Fiscal Impact	( )	( )	State Total Req'ments	120 million	120 million	
Increase Expenditure	(x)	( )	Receipts/Revenues			
Decrease Expenditure	( )	( )	Net State Expend./Rev.			
			No. of Positions			
			Local Fiscal Impact	FY	FY	FY
Increase Revenue	( )	( )	Local Total Req'ments	None		
Decrease Revenue	( )	( )	Receipts/Revenues			
No Estimate Avail.	( )	( )	Net Local Expend./Rev.			
			No. of Positions			

Description of Legislation

1. Summary of Legislation

Requires State to pay the costs of all anti-retroviral drugs prescribed by a physician licensed to practice within North Carolina.

2. Effective Date: July 1, 1989

3. Fund or Tax Affected: General Fund

4. Principal Department/Program Affected: Department of Human Resources, Division of Health Services

Cost or Revenue Impact on State

	FY 89-90	FY 90-91	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues	120 million	120 million	
3. Fiscal/Revenue Assumptions			
Cost/Revenue Impact on County or Local Government			
	FY 89-90	FY 90-91	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues	None		
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note: Division of Health Services, DHR

#### Technical Considerations/Comments

The Division of Health Services estimates that between 16,000 and 24,000 individuals in North Carolina are infected with HIV (the AIDS virus). The median of this estimate is 20,000. This may be a conservative number to use for cost estimates for this bill since AZT could be prescribed by a physician for individuals with other retroviral infections. The Division has no estimate for this latter population.

The cost of AZT (the most frequently used anti-retroviral drug) over the last year, according to the Division of Health Services, has averaged \$500 per month per patient. This figure incorporates those patients receiving full and partial doses of the drug.

The total cost to the State of providing AZT to all HIV infected patients who might be prescribed the drug by a licensed physician would be \$120 million per year (\$500 x 12 months x 20,000 patients).

The bill does not provide for recoupment of costs from third party insurers who would be liable for costs incurred by those insured who are in need and are eligible to receive the AZT drug.



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