

SJR 20: Prescription Drug Abuse Summary of MPDR Funding Sources

Prepared for the Children, Families, Health, and Human Services Interim Committee
August 2014

Background

The law creating the Montana Prescription Drug Registry gave the Board of Pharmacy the authority to collect a \$15 fee from anyone who prescribes, dispenses, or distributes controlled substances. The law also allows the board to apply for available grants and to accept gifts, grants, or donations to pay for the registry.

This briefing paper summarizes the money raised from various sources to date; the current operating costs of the registry; the expected costs of making requested improvements; and potential revenue that could be raised from other sources.

MPDR Funding to Date

Federal grants have provided nearly all of the funding for the registry so far, as follows:

- \$100,000 to plan for the registry and the legislation creating it;
- \$397,521 to develop and operate the database after the 2011 Legislature approved creation of the registry; and
- \$389,729 to operate, maintain, and build additional features into the registry, from late 2013 through early 2015.

The state also received about \$85,000 from the \$15 fee in Fiscal Year 2014 and expects to receive nearly \$94,000 in FY 2015. The fee is paid by pharmacists, doctors, physician assistants, dentists, podiatrists, advanced practice registered nurses, optometrists, and naturopathic physicians who prescribe or dispense controlled substances.

Annual Operating Costs

The current cost of operating the registry is about \$300,000 a year, as shown below.

Expense	12-Month Cost
Enhancements to Registry	\$127,525
General Operating Costs	\$67,321
Montana Interactive Hosting/Support	\$58,350
Printing and Postage	\$24,537
Purchase of National Drug Code File	\$9,641
Travel	\$8,384
Contracted Trainer	\$5,000
Total Expenses Before Fee Offset	\$300,758

Source: Montana Board of Pharmacy

Planned and Requested Enhancements

The most recent federal grant pays for operating costs and also will pay for enhancements to:

- allow providers in other states to access the registry data; and
- allow registered Montana health care providers to designate staff members who can access the registry on their behalf.

The Montana Medical Association has suggested additional changes to the registry, some of which would also require changes to state law. The proposed changes and their potential costs are shown below.

Requested Change	Low Estimated Cost	High Estimated Cost
Provide Daily/Real-Time Reporting	\$7,800	\$13,208
Link Patient Profiles to Records	\$13,728	\$26,520
Enter Comments on Patients	\$10,712	\$20,904
Integrate Medical Marijuana Information	\$21,528	\$50,960
Allow Batch Inquiries for Several Patients	\$11,232	\$25,792
Allow Scheduled Queries	\$9,048	\$20,488
Additional Reporting Requirements/Options	\$121,056	\$209,976
Total	\$195,104	\$367,848

Potential Revenue Sources

Stakeholders have suggested that additional money could be raised by increasing the registry fee or turning to other revenue sources. Proposed options are shown below.

Revenue Source	# Affected	Revenue
Increase Current \$15 Fee to \$30 on Current Licensees	6,266	\$187,980
Assess Current \$15 Fee on All Individual Licensees	9,427	\$141,405
Assess \$30 Fee on All Individual Licensees	9,427	\$282,810
Assess \$15 fee on All Wholesalers/Manufacturers	1,184	\$17,760
Assess \$30 fee on All Wholesalers/Manufacturers	1,184	\$35,520
Assess a Penny Per Pill on Dispensed Prescriptions	Variable	\$418,000

The estimated revenue from a penny-per-pill fee is based on the following assumptions:

- the fee would be assessed only on prescriptions for controlled substances;
- about 1.4 million prescriptions for controlled substances are dispensed each year; and
- each of the prescriptions is for 30 pills.

The actual revenue is likely to vary somewhat from the estimate.