



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0374

Title: Revise laws related to dispensing of drugs by medical practitioners

Primary Sponsor: Smith, Cary

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$6,150	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The fiscal impacts from SB 374 would principally be rulemaking costs and the costs associated with adding a registration to the professional licensing database, and adding the registration information on practitioner's licenses initially, and upon renewal, to indicate that they have opted to dispense medications as allowed from their office or clinic settings. Forms will need to be developed for online usage and changes will be made to the various board websites to direct licensees to the Board of Pharmacy for information, and the same information will be included on each medical practitioner website.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry

- Rules will be written and adopted to implement this legislation by the Board of Pharmacy. It is estimated there will be a six-page rule notice and three-page adoption for an expense from the Secretary of State for publishing and printing in the amount of \$540, (nine pages x \$60 per page).

2. The board will hold a public hearing for a maximum of two hours to take comments from the public on the proposed rules with a hearing officer and court reporter to record comments and provide a transcript. The estimated cost is \$459.
3. The board will attempt to notify all affected licensees by email; however it is estimated the board may need to notify 10% by mail. There are approximately 10,707 active licensees who could be affected by this legislation, including doctors, physician assistants, podiatrists, dentists, optometrists, naturopaths, and advanced nurse practitioners. If 10% are notified by postal mail, it is assumed there would be a cost of \$1 per notification by post card to include the card, printing, labeling and postage, to direct the licensee to the board's website for information on the hearing and how to provide written comment or attend in person for public comment. Total cost estimated to be \$1,071.
4. The board will utilize an additional forty hours of legal service to draft the notice, assist in responding to comments, and prepare the adoption notice. The estimated cost to the board for additional legal time from the board counsel and legal unit rule reviewer is \$4,080.
5. Based on assumptions 1 – 4, the total rule making costs would be \$6,150.
6. Adding this registration for the licensing groups affected to the licensing database will include addition of a registration record, changes to the compliance record, and any other requirement indicated in rule or statute, including the addition of this information to licenses and renewed licenses for those who register. The Technology Services Division of DLI, (TSD), estimates it will spend 260 hours on initial analysis, design, development, scripting, reports, UAT, and training, and an additional 80 hours to add the registration once, built, to each medical provider record type. TSD will bill the Board of Pharmacy for the associated costs which will total \$28,560.
7. The work of TSD will be completed by existing staff and contractors using existing appropriation. Therefore, these costs are not included in the table for this fiscal note.
8. There is a requirement for the board to report to the legislature by September 20, 2023. It is assumed this reporting requirement will be met on behalf of the board by the division and board Executive Officer and as a result there are no travel costs projected.
9. Fees for registration and subsequent renewal will be set by the board and must be set commensurate with costs. It is unknown how many licensees will register with the board as a result of this legislation; therefore revenue cannot be determined. It is assumed the Board of Pharmacy will bear the costs for rulemaking and the revisions of the licensing database until revenues can be established.
10. It is assumed registration will not take place until the second year of the biennium.

Department of Health and Human Services

11. This bill has no fiscal impact to the Department of Public Health and Human Services (DPHHS).

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$6,150	\$0	\$0	\$0
TOTAL Expenditures	<u>\$6,150</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$6,150	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$6,150</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$6,150)	\$0	\$0	\$0

Technical Notes:

1. The legislation does not include new inspection authority for the Board of Pharmacy regarding medical practitioner dispensing of prescriptions. DLI presumes the intention of the legislation is that any disciplinary issue which arises relating to medical practitioner dispensing will be handled by the licensing board for the practitioner, rather than the Board of Pharmacy.



 Sponsor's Initials

3/22/2021

 Date

LA

 Budget Director's Initials

3-22-21

 Date