

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3583-02
Bill No.: SCS for SB's 575 & 714
Subject: Drugs and Controlled Substances; Counties; Health Department; Nursing and Boarding Homes; Pharmacy; Health, Public
Type: Original
Date: February 10, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services**, and the **Department of Economic Development** assume this proposal would not affect their agencies.

Officials from the **Department of Health and Senior Services (DOH)** state that city and county health departments qualify as nonprofit clinics and are therefore currently authorized to participate as a repository site under Section 196.973 RSMo.

DOH assumes that the intent of the language, "the department of health and senior services shall develop and implement a program..." is that outreach efforts be undertaken to encourage health departments to participate in the prescription drug repository program. Therefore, DOH assumes one additional staff person, a pharmaceutical consultant, will be necessary, along with rental space to house that individual.

DOH states it would develop and implement a program through which unused prescription medications meeting the criteria of Section 196.976 RSMo may be transferred from long-term care facilities to city or county health departments for distribution to residents of the state meeting eligibility requirements under section 196.984 RSMo. DOH assumes that by "develop and implement", it is intended that the DOH extend outreach to these agencies, as none are

ASSUMPTION (continued)

currently participating in the program. DOH states these additional duties cannot be absorbed by existing staff.

DOH states that one hundred and fourteen (114) local public health agencies in the state currently qualify as nonprofit clinics, but have not notified the department that they are voluntarily participating in the prescription drug repository program. Of the state's 1,168 facilities, 497 are skilled nursing (SNF), 42 are intermediate care (ICF) and 629 are residential care I and IIs. DOH states any or all of these facilities may choose to participate in the program, provided that the drugs to be donated meet the requirements of the prescription drug repository program and rules established by the Missouri State Board of Pharmacy.

DOH states one Pharmaceutical Consultant position would be needed to provide outreach, training and oversight to local and city health departments and long term care facilities so that those agencies and facilities may participate in the prescription drug repository program. It would be necessary for this individual to develop training and promotional materials and then to meet with officials and staff of these agencies and facilities locally and regionally to assist in the development of policies and procedures for proper inspection, storage and dispensing of drugs donated through the prescription drug repository program, compliance with ownership requirements for drugs donated to the program by long term care facilities and to provide on-going training in these aspects and in documentation requirements for the program.

DOH states a greater degree of travel than normal would be required for the Pharmaceutical Consultant to perform the duties required as a result of this legislation. Efficiencies, such as regional meetings, and meeting scheduling in clusters to prevent travel expenses for meeting with only one agency or facility, would be put in place to minimize this additional impact. An additional \$2,500 over the standard \$5,000 for travel has been included in the cost. DOH estimates the fiscal impact to be \$107,354 in FY 07, \$126,972 in FY 08 and \$130,221 in FY 09.

Oversight assumes since a prescription drug repository program currently exists and since county and city health departments are already authorized to participate in the prescription drug repository program, there would be no additional fiscal impact. If a fiscal impact were to result, the DOH could request additional funds through the appropriation process.

Officials from the **Department of Mental Health (DMH)** state this proposal specifies that only hospitals licensed under chapter 197 are included in the provisions of the proposal as they pertain to hospitals. DMH assumes the hospitals of the DMH are not included in this proposal since they are not licensed under Chapter 197 RSMo. Therefore, DMH assumes this proposal would not fiscally impact their agency.

ASSUMPTION (continued)

Officials from **Jasper County** stated the proposal could have potential savings of an unknown amount.

Officials from the **Cass County** assume this proposal would have no fiscal impact.

Oversight assumes this proposal would not have a fiscal impact to counties and cities since county and city health departments are already authorized to participate in the prescription drug repository program.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal creates a program through which unused prescription drugs may be transferred from long term care facilities to city or county health departments for the purpose of distributing the medication to low-income residents of this state meeting certain eligibility criteria.

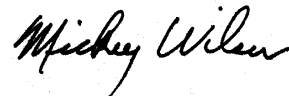
This proposal also provides that drugs donated under the Prescription Drug Repository Program that are not used or accepted by any pharmacies, hospitals, or nonprofit clinics may be distributed to out-of-state charitable repositories for use outside of the state. Out-of-state charitable repositories include any bona fide charitable, religious, or nonprofit organization licensed or regulated in this state as out-of-state wholesale drug distributors or any foreign medical aid mission groups that distribute pharmaceuticals and healthcare supplies to needy persons abroad.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 3583-02
Bill No. SCS for SB's 575 & 714
Page 5 of 5
February 10, 2006

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Social Services
Department of Mental Health
Department of Economic Development
Jasper County
Cass County



Mickey Wilson, CPA
Director
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