

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0110-02
Bill No.: Truly Agreed To and Finally Passed SS for SB 195
Subject: Licenses - Professional; Pharmacy
Type: Original
Date: April 30, 2007

Bill Summary: Modifies law relating to the licensing of pharmacists.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Board of Registration for the Healing Arts	(\$3,224)	(\$390)	(\$390)
Board of Pharmacy	(\$16,675)	\$5,227	(\$883)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$19,899)	\$4,837	(\$1,273)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** assume the Board of Healing Arts and the Board of Pharmacy would meet four (4) times in FY 08 to promulgate rules and regulations related to medication therapeutic plans. It is estimated that each board member will receive per diem and reimbursement for expenses for each day they conduct board business. Meeting costs are estimated to be \$3,224 per board for FY 08. Subsequent fiscal years' meeting costs are estimated at \$390 per fiscal year for each board.

Beginning in FY 09, the Pharmacy Board estimates 13% or 630 of the currently licensed Bachelor of Science (BS) Pharmacists will apply for a certification of medication therapeutic authority. It is estimated that applicants will submit an estimated \$10 application fee for a total of \$6,300 and 19 applicants will submit applications in subsequent fiscal years, for \$190 in revenue per fiscal year. The estimated cost of processing the initial applications and licensure set up is \$6,062.

It is assumed that the Pharmacy Well-Being Committee will meet five (5) times the first year to promulgate rules and set up the Pharmacy Well-Being Program. It is assumed that the per diem and travel expenses for the Pharmacy Well-Being Committee will be approximately \$7,389 in FY 08 and \$683 in subsequent years.

Based on the costs associated with the Dental Well-Being Committee and the Physician Well-Being Committee, the Pharmacy Board believes the costs to implement the Pharmacy Well-Being Committee will be approximately \$3,200 per licensee enrolled in the program. The Board estimates the number of licensees who will participate in the program to be 53, for a cost of \$169,600 (\$3,200 X 53).

The proposal does not specify how the Well-Being Committee will be paid for.

HWC:LR:OD (12/02)

ASSUMPTION (continued)

Oversight assumes the Board of Pharmacy would require participants to pay fees to cover the costs of treatment and/or adjust pharmacy licensing fees, if necessary, to cover the costs of the Pharmacy Well-Being Program.

This proposal will impact total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND			
<u>Costs - Department of Insurance, Financial and Professional Regulation</u>			
Per diem and other board meeting expenses	<u>(\$3,224)</u>	<u>(\$390)</u>	<u>(\$390)</u>
ESTIMATED NET EFFECT ON BOARD OF REGISTRATION FOR THE HEALING ARTS FUND	<u>(\$3,224)</u>	<u>(\$390)</u>	<u>(\$390)</u>
BOARD OF PHARMACY FUND			
<u>Income - Department of Insurance, Financial and Professional Regulation</u>			
Application fees	\$0	\$6,300	\$190
<u>Costs - Department of Insurance, Financial and Professional Regulation</u>			
Per diem and other board meeting expenses	<u>(\$3,224)</u>	<u>(\$390)</u>	<u>(\$390)</u>
Well-Being Committee set-up and meeting expenses	<u>(\$13,451)</u>	<u>(\$683)</u>	<u>(\$683)</u>
Total <u>Cost</u> - Department of Insurance, Financial and Professional Regulation	<u>(\$16,675)</u>	<u>(\$1,073)</u>	<u>(\$1,073)</u>
ESTIMATED NET EFFECT ON BOARD OF PHARMACY FUND	<u>(\$16,675)</u>	<u>\$5,227</u>	<u>(\$883)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may impact small business pharmacies.

FISCAL DESCRIPTION

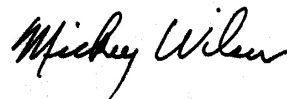
This proposal allows the State Board of Pharmacy to grant a certificate of medication therapeutic plan authority to pharmacists. This authority will allow pharmacists to accept a prescription order for a medication therapeutic plan and administer the plan if the prescription order is specific to each patient for care by a specific pharmacist. Pharmacists may also administer viral influenza vaccines by written protocol authorized by a physician for persons age 12 and up. The State Board of Registration for the Healing Arts and the State Board of Pharmacy shall promulgate rules regulating prescription orders for medication therapy services and influenza vaccines.

This proposal authorizes the Board of Pharmacy to create a "Well-being Committee" to promote early identification, intervention, treatment and rehabilitation of licensed pharmacists who are impaired by illness, substance abuse, or any physical or mental condition. The board may enter into a contractual agreement with a nonprofit corporation or an association for the purposes of administering the committee.

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

SOURCES OF INFORMATION

Department of Insurance, Financial and Professional Regulation
Department of Health and Senior Services
Office of Secretary of State



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