

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Jaime Capelo, Chair, House Committee on Public Health

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3014 by Capelo (Relating to the authorization of donations to state programs by pharmaceutical manufacturers or other private entities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow the Health and Human Service Commission (HHSC) to accept a gift or grant (including money, drugs, equipment or any other item of value) from a private or public source (including a pharmaceutical manufacturer, distributor, provider, or other third party) to perform any of the commission's powers or duties.

HHSC estimates that the acceptance of prescription medications would result in a biennial cost totaling \$841,978 in All Funds, including \$410,589 in General Revenue. Cost components would include additional staff, a secure storage facility, tracked shipping for distribution of donated drugs, destruction of outdated drugs, and computer system modifications. However, it is assumed that the acceptance of donated drugs would result in the purchase of fewer drugs by the Vendor Drug Program, and that this would result in an offsetting savings.

NOTE: For purposes of this estimate, it is assumed that the savings resulting from reduced expenditures for client services would equal the costs identified by the commission related to accepting, storing and distributing donated drugs. It is also assumed that HHSC would not accept donated drugs unless the savings were equal to or greater than the costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JK, EB, PP