

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3326 by Uresti (Relating to the establishment of a prescription drug consumer information and technical assistance program by the Department of State Health Services.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB3326, As Introduced: a negative impact of (\$946,097) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$490,676)
2007	(\$455,421)
2008	(\$455,421)
2009	(\$455,421)
2010	(\$455,421)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$490,676)	4.0
2007	(\$455,421)	4.0
2008	(\$455,421)	4.0
2009	(\$455,421)	4.0
2010	(\$455,421)	4.0

Fiscal Analysis

The bill relates to the establishment of a prescription drug consumer information and technical assistance program by the Department of State Health Services (DSHS). The bill would add Chapter 113 to the Health and Safety Code. Under the bill's provisions, DSHS would 1) establish a prescription drug consumer information and technical assistance program as prescribed in the bill, 2) provide for licensed pharmacists to consult with senior citizens as prescribed in the bill, and 3) report to the Governor, Lt. Governor, Speaker of the House and standing health care committees in the Senate and House of Representatives on the effectiveness of the program not later than October 1, 2006. DSHS may use licensed pharmacists employed by a state governmental entity or recruit licensed pharmacist volunteers in cooperation with the Texas State Board of Pharmacy.

The bill would require the Executive Commissioner of the Health and Human Services Commission (HHSC) to adopt rules necessary to implement the bill's provisions not later than March 1, 2006. This would include rules that describe any fees that may be charged for services provided by a consulting

pharmacist.

Upon enactment, the bill would take effect September 1, 2005.

Methodology

DSHS assumes that 4 additional FTEs (pharmacists) would be needed to implement the provisions of the bill. In FY 2006, the estimated costs assume 9 months due to phase in. These costs would include \$211,802 for salaries and benefits, \$12,750 for in-state travel, \$9,093 for rent and utilities, \$15,154 for IT hardware (4 leased personal computers, 2 leased notebook computers, and printers), and \$6,671 for pharmaceutical helpdesk software. The estimated costs for other operating expenses would include \$21,240 for office furnishing, \$4,751 for office equipment, supplies, and postage, and \$1,215 for telephone services. The estimated cost for professional fees and contracts (advertising and media promotion of the program) would total \$208,000 in FY 2006. The estimated costs would total \$490,676 in FY 2006.

In FY 2007-2010, the estimated costs each year would include \$282,402 for salaries and benefits, \$17,000 for in-state travel, \$12,124 for rent and utilities, \$6,636 for IT hardware (for leased personal computers and leased notebook computers), and \$6,671 for pharmaceutical helpdesk software. The estimated costs for other operating expenses would total \$5,588 each year. The estimated cost for professional fees and contracts (advertising and media promotion of the program) would total \$125,000 each year. The estimated costs would total \$455,421 in each year of FY 2007-2010.

DSHS assumes that the agency may not be able to collect a fee for the consulting services provided by the pharmacists because under current law individuals in Texas may obtain the drug-related information from any pharmacy at no charge.

HHSC anticipates no significant fiscal impact in implementing the bill's provisions. It is assumed that any costs HHSC would incur associated with implementing the provisions of the bill would be absorbed within the agency's existing resources.

Technology

IT Hardware Costs: 4 leased Desktop Personal Computers (\$3,612), 2 leased Notebook Computers (\$2,142), 2 printers (\$4,000), Multimedia Projector (\$3,000) and Toll-free phone lines (\$2,400) for a total of \$15,154 in FY 2006. \$6,636 each year of FY 2007-2010 for leased computers and Toll-free phone lines.

IT Software Costs: \$6,671 each year FY 2006-2010 for pharmaceutical helpdesk software.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 515 Board of Pharmacy, 529 Health and Human Services Commission, 537 Department of State Health Services, 539 Department of Aging and Disability Services

LBB Staff: JOB, CL, PP, RM