

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 21, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

IN RE: HB3156 by Cook (Relating to a drug donation program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3156, As Introduced: a negative impact of (\$627,886) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$325,788)
2011	(\$302,098)
2012	(\$302,446)
2013	(\$302,806)
2014	(\$303,178)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2010	(\$325,788)
2011	(\$302,098)
2012	(\$302,446)
2013	(\$302,806)
2014	(\$303,178)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	3.0
2011	3.0
2012	3.0
2013	3.0
2014	3.0

Fiscal Analysis

The bill would amend the Health and Safety Code at it relates to a drug donation program.

The bill would add Chapter 442, Drug Donation Program, which would require the Department of State Health Services (DSHS) to establish and maintain a drug donation program through which a person or entity may donate to a participating pharmacy or health care facility an eligible drug for use by an individual who meets the eligibility requirements prescribed by the bill. A pharmacy or health care facility that receives a donated drug through the program may distribute the drug to an eligible pharmacy or health care facility for use under the program.

DSHS would also be required: 1) to develop forms for individuals who donate drugs to the program and for recipients of drugs through program; 2) establish a voluntary registry for individuals who are eligible to receive drugs through the program; and 3) establish on the department's website a voluntary registry for pharmacies and health care facilities participating in the program. The drug donation program established under this chapter would be in addition to the method for redistribution of unused drugs established by Section 562.1085, Occupations Code, and the drug donation program established under Subchapter M, Chapter 431.

The bill would take effect September 1, 2009.

Methodology

It is assumed that DSHS would need 3 additional FTEs to: 1) assess eligibility and troubleshoot difficult entries; 2) determine eligibility and confirm eligibility status with pharmacies; and 3) assist with pharmacy enrollment and database maintenance at a cost of \$240,788 in FY10, \$294,598 in FY11, \$294,946 in FY12, \$295,306 in FY13, and \$295,678 in FY14. DSHS also assumed that \$85,000 in FY10 and \$7,500 in FY11-FY14 would be needed: 1) to create a data system that tracks client data and pharmacies and health care facilities who wish to participate in the program; 2) for annual maintenance; and 3) to develop additional reports and adjust program configurations of drug licenses. The total costs would be \$325,788 in FY10, \$302,098 in FY11, \$302,446 in FY12, \$302,806 in FY13, and \$303,478 in FY14.

Section 442.006 of the bill authorizes a pharmacy or health care facility that dispenses a drug through the program to charge an individual who receives the drug a fee not to exceed the amount specified by the executive commissioner rule. It is assumed that any fee adopted would be offset by the costs of administering the program by the pharmacy or health care facility.

Technology

DSHS also assumed that \$85,000 in FY10 would be needed to create a data system that tracks client data and pharmacies and health care facilities who wish to participate in the program as well as to develop additional reports and adjust program configurations of drug licenses. For FY 2011-14, DSHS assumed that \$7,500 would be needed for maintenance.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 503 Texas Medical Board, 515 Board of Pharmacy, 537 State Health Services, Department of

LBB Staff: JOB, CL, SJ, JF