

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

TO: Honorable Myra Crownover, Chair, House Committee on Public Health

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB195 by Schwertner (Relating to prescriptions for certain controlled substances, access to information about those prescriptions, and the duties of prescribers and other entities registered with the Federal Drug Enforcement Administration; authorizing fees; amending provisions subject to a criminal penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB195, As Engrossed: an impact of \$0 through the biennium ending August 31, 2017.

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
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund	Probable (Cost) from General Revenue Fund	Change in Number of State Employees from FY 2015
	1	1	
2016	\$1,440,765	(\$1,440,765)	7.0
2017	\$930,674	(\$930,674)	7.0
2018	\$930,674	(\$930,674)	7.0
2019	\$930,674	(\$930,674)	7.0
2020	\$930,674	(\$930,674)	7.0

Fiscal Analysis

The bill would amend the Health and Safety Code and the Occupations Code as they relate to

information relating to prescriptions for certain controlled substances. The provisions of the bill would transfer the Texas Prescription Monitoring Program (TPMP) and the Prescription Access in Texas (PAT) database from the Department of Public Safety (DPS) to the Texas State Board of Pharmacy (TSBP). The bill requires the transfer of prescription drug registration information from DPS to the TSBP and the establishment of an accessible database for this information.

The bill authorizes TSBP to charge a fee to cover the cost of establishing and maintaining the registration database. Each agency which is covered by this legislation and licenses individuals or entities to prescribe or dispense controlled substances would be directed to increase the fees for occupational licenses, permits, or registrations, or use available excess funds, to operate the database program. A fee so imposed would be remitted to TSBP for the database program.

This bill would take effect immediately if the bill receives two-thirds of all members elected to each house or September 1, 2015 if it does not.

Methodology

To implement the provisions of the bill, the TSBP estimates the need for \$383,000 each fiscal year and an increase to the full-time equivalent (FTE) cap by 7.0 FTEs. Estimated benefit and payroll contributions for 7.0 FTEs are estimated to be \$129,760 each fiscal year. The agency anticipates the need for \$132,363 in fiscal year 2016 only for workspace remodeling, in line with an estimate from the Texas Facilities Commission. The agency estimates one-time start-up costs for 7.0 FTEs, including the purchase of information technology, to be \$8,750 in fiscal year 2016 only (7.0 FTEs at \$1,250 per FTE in 2016 only). The agency estimates other operating costs associated with 7.0 FTEs to be \$86,892 in fiscal year 2016 and \$17,914 in fiscal year 2017 and thereafter (\$68,978 in fiscal year 2016 for furniture at \$9,854 per FTE for 7.0 FTEs for furniture and office set-up in fiscal year 2016 only and \$17,914 each year in consumables and training costs each fiscal year). TSBP also estimates information technology contracting work related to the transfer of data from DPS to be \$700,000 in fiscal year 2016 and \$400,000 in fiscal year 2017 and thereafter (\$25,000 each fiscal year for auditing services, \$25,000 for grant writing services, \$350,000 each fiscal year for contracted database services).

This analysis assumes that the Board of Pharmacy would enter into a memorandum of understanding with participating agencies including Texas Medical Board, Board of Nursing, Texas State Board of Dental Examiners, Board of Veterinary Medical Examiners, Optometry Board and Board of Podiatric Medical Examiners in order to establish interagency transfers for participation in the program.

This analysis assumes that any increased costs to these participating agencies, which are statutorily required to generate sufficient revenue to cover their costs of operation, would be offset by an increase in fee generated revenue.

Based on the analysis of the Department of Public Safety, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Technology

The agency estimates one-time start-up costs for 7.0 FTEs for the purchase of information technology equipment to be \$8,750 in fiscal year 2016 only. The Board of Pharmacy also estimates information technology contracting work related to the transfer of data from DPS to be \$700,000 in fiscal year 2016 and \$350,000 in fiscal year 2017 and thereafter for contracted database services.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 503 Texas Medical Board, 504 Texas State Board of Dental Examiners, 507 Texas Board of Nursing, 512 Board of Podiatric Medical Examiners, 515 Board of Pharmacy, 578 Board of Veterinary Medical Examiners, 304 Comptroller of Public Accounts, 514 Optometry Board

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