

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 8, 2017**

**TO:** Honorable Four Price, Chair, House Committee on Public Health

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB316** by Hinojosa (Relating to powers and duties of certain prescribers and dispensers of controlled substances and the regulatory agencies that issue a license, certification, or registration to the prescriber or dispenser; following the recommendations of the Sunset Advisory Commission.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds for SB316, As Engrossed:** an impact of \$0 through the biennium ending August 31, 2019.

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
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$83,197)	\$83,197	1.0
2019	(\$70,702)	\$70,702	1.0
2020	(\$70,702)	\$70,702	1.0
2021	(\$70,702)	\$70,702	1.0
2022	(\$70,702)	\$70,702	1.0

## **Fiscal Analysis**

The bill would amend the Health and Safety Code relating to the powers and duties of certain prescribers and dispensers of controlled substances and the regulatory agencies that issue a license, certification, or registration to the prescriber or dispenser; following the recommendations of the Sunset Advisory Commission.

The bill would amend the requirement for submission of prescription data to the Texas State Board of Pharmacy (TSBP) by pharmacists for the Prescription Monitoring Program (PMP).

The bill would require regulatory agencies, including the Texas State Board of Dental Examiners, Optometry Board, Texas Medical Board, Texas Board of Nursing and the Board of Podiatric Medical Examiners to periodically access the Prescription Monitoring Program for prescribing behavior and dispensing patterns of licensees. The bill would allow a regulatory agency to notify a prescriber of potentially harmful behavior and allow for the opening of a complaint by the agency under certain requirements. The bill would require a regulatory agency to provide contact information for applicable licensees to the TSBP and the TSBP would be required to notify the regulatory agency when TSBP notifies a licensee that a potentially harmful prescribing pattern has been indicated. The bill would permit TSBP to send electronic notifications to prescribers and dispensers meeting harmful patterns.

The bill would require the TSBP to work with the other regulatory agencies identified above and the Department of Public Safety (DPS) to determine conduct that indicates potentially harmful prescription patterns. The bill would require the DPS director to adopt rules to administer and enforce certain provisions of the bill. The bill would require a regulatory agency to develop prescription guidelines for applicable licensees prescribing certain substances.

The bill would require the Senate Committee on Health and Human Service to conduct an interim study on the monitoring of prescribing and dispensing of controlled substances in the state and submit a report on the results to the Legislature by January 1, 2019.

The bill would take effect on September 1, 2017 unless otherwise noted.

## **Methodology**

Based on the analysis of the TBSP, it is assumed the TSBP would require one additional full-time-equivalent (FTE) to implement provisions of the bill relating to monitoring requirements by searching PMP data and providing the information to the other regulatory agencies, including the Texas State Board of Dental Examiners, Optometry Board, Texas Medical Board, Texas Board of Nursing and the Board of Podiatric Medical Examiners. This would have an estimated cost to General Revenue of \$74,797 in fiscal year 2018 and \$70,702 each year thereafter. TSBP estimates one-time start up costs of \$4,095 for the additional FTE and annual costs of \$50,111 in salaries and wages for a Program Specialist III, \$18,351 in employee benefits and other payroll contribution costs, and \$2,240 for other operating expenses.

Additionally, TSBP estimates a one-time cost of \$8,400 in General Revenue in fiscal year 2018 for modifications to the PMP to include contact information for notifications of potentially harmful prescribing or dispensing habits to licensees.

This analysis assumes the provisions of the bill addressing felony sanctions for criminal offenses would not result in a significant impact on state correctional agencies.

This analysis assumes that any increased cost to the TSBP, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue by the agency and other regulatory agencies whose licensees are required to access the PMP, including the Board of Veterinary Medical Examiners, Texas State Board of Dental Examiners, Optometry Board, Texas Medical Board, Texas Board of Nursing and the Board of Podiatric Medical Examiners.

Based on the LBB's analysis of the Texas State Board of Dental Examiners, Optometry Board, Texas Medical Board, Texas Board of Nursing, Board of Podiatric Medical Examiners, Office of Court Administration, Office of the Attorney General, Department of Public Safety, and State Office of Administrative Hearings, it is anticipated that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

### **Technology**

The costs identified above include estimated one-time information technology costs of \$8,400 for PMP database changes and \$1,154 for equipment for the additional FTE at TSBP.

### **Local Government Impact**

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

**Source Agencies:** 116 Sunset Advisory Commission, 212 Office of Court Administration, Texas Judicial Council, 405 Department of Public Safety, 515 Board of Pharmacy, 578 Board of Veterinary Medical Examiners, 696 Department of Criminal Justice, 302 Office of the Attorney General, 360 State Office of Administrative Hearings, 503 Texas Medical Board, 504 Texas State Board of Dental Examiners, 507 Texas Board of Nursing, 512 Board of Podiatric Medical Examiners, 514 Optometry Board

**LBB Staff:** UP, EK, KCA, EH