

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 20, 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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB316, Committee Report 2nd House, Substituted: 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 General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$118,197)	\$118,197	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). Beginning on September 1, 2018, the bill would require veterinarians to submit prescription information to TSBP after filling a prescription within a certain period, depending on the date of the prescription and the bill would provide for certain retention schedules.

The bill would require regulatory agencies, including the Texas State Board of Dental Examiners, Optometry Board, Board of Veterinary Medical Examiners, Texas Medical Board, Texas Board of Nursing and the Board of Podiatric Medical Examiners to periodically access and monitor 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.

Under the provisions of the bill, if TSBP found that the electronic system could not provide certain data elements, TSBP and the Board of Veterinary Medical Examiners would be required to adopt rules relating to the specific format in which a person may enter data elements relating to a herd of animals.

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 a regulatory agency to develop prescription guidelines for applicable licensees prescribing certain substances.

The bill would create a joint interim committee to conduct an interim study on the monitoring of prescribing and dispensing of controlled substances in the state. Under the provisions of the bill, the committee would be required to solicit feedback from regulatory agencies and other parties and submit a report on the results to the Legislature by January 1, 2019. The bill would require the Texas Legislative Council to provide legal and policy research, drafts of proposed legislation, and statistical analysis services to the interim committee.

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, Board of Veterinary Medical Examiners, 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 two one-time costs due to the provisions of the bill including: (1) \$35,000 in General Revenue in fiscal year 2018 for modifications to the PMP to accommodate the additional required prescription information for veterinarians that will be entered beginning in fiscal year 2019; and (2) \$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 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 Texas State Board of Dental Examiners, Optometry Board, Board of Veterinary Medical Examiners, Texas Medical Board, Texas Board of Nursing and the Board of Podiatric Medical Examiners.

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.

Based on the LBB's analysis of the Texas State Board of Dental Examiners, Optometry Board, Board of Veterinary Medical Examiners, Texas Medical Board, Texas Board of Nursing, Board of Podiatric Medical Examiners, Office of the Attorney General, Department of Public Safety, Texas Legislative Council 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 \$43,400 for PMP database changes and \$1,154 for equipment for the additional FTE at TSBP.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 103 Legislative Council, 405 Department of Public Safety, 515 Board of Pharmacy, 578 Board of Veterinary Medical Examiners, 116 Sunset Advisory Commission, 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

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