

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**April 14, 2023**

**TO:** Honorable Stephanie Klick, Chair, House Committee on Public Health

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1373** by Dean (Relating to a pilot program for the safe disposal of controlled substance prescription drugs.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1373, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

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

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Opioid Abatement 5189</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$5,282,784)	3.0
2025	(\$5,039,464)	3.0
2026	(\$5,039,464)	3.0
2027	(\$5,039,464)	3.0
2028	(\$5,039,464)	3.0

**Fiscal Analysis**

The bill would amend the Occupations Code to create a pilot program for the safe disposal of controlled substance prescriptions drugs. The bill would require the Texas State Board of Pharmacy to develop and implement, by rule, a pilot program to increase the number of locations in this state in which unused controlled substance prescription drugs are collected from the public for safe disposal. The bill would expand the eligible uses of the General Revenue-Dedicated Opioid Abatement Account No. 5189 to include funding for the pilot programs established by the bill.

The bill would take effect on September 1, 2023.

## Methodology

The bill allows for voluntary participation by pharmacies in this pilot program. According to the Board of Pharmacy, the agency anticipates 100 pharmacies to participate which this estimate uses to determine programmatic costs.

The bill requires that the Board of Pharmacy pay the costs of one collection receptacle for each participating pharmacy location and supplies necessary for a mail-back program, including envelopes and shipping costs. Each receptacle is a one time cost of \$2,267. Replacement liners for the receptacles cost \$239 and each would be replaced an average of 6 times per year. The cost would be \$3,701 per pharmacy multiplied by the 100 assumed pharmacy participants, which brings the total cost for this portion of the bill's provisions to \$370,100 in fiscal year 2024 and \$143,400 in fiscal year 2025.

The bill requires that the Board of Pharmacy pay the costs of supplies necessary for a mail-back program. DEA-compliant mail-back pouches cost \$1,815 for a pack of 250. Based on information provided by the Board of Pharmacy, the average pharmacy dispensed of 6,020 controlled substance prescriptions in fiscal year 2022. This estimate assumes that each participating pharmacy would require 24.08 packs of mail-back pouches at a cost of \$43,705 ( $\$1,815 * 24.08$  packs). Assuming 100 pharmacy participants, the total cost would be \$4,370,520 each Fiscal Year.

The bill requires that the Board of Pharmacy develop and distribute community outreach materials. Assuming a flyer costs \$.05 and with one flier per prescription (6,020), the total cost per pharmacy would be \$3,010. Assuming 100 pharmacy participants, the total cost would be \$301,000 each fiscal year. The bill also requires that the fliers be translated to the appropriate languages which would be a one-time cost of \$420 in Fiscal Year 2024.

In order to implement the provisions of the bill, the agency would require three additional full-time equivalents (FTEs). One Program Specialist (\$64,570 each year with estimated benefits of \$19,294), one Accountant (\$64,570 each year with estimated benefits of \$19,294), and one Administrative Assistant (\$43,148 each year with estimated benefits of \$12,893) to develop and implement the program, which includes developing application forms, the evaluation process, and election criteria, processing reimbursements for financial incentives, developing and distributing materials for community outreach, and preparing reports to the Legislature on the results of the program. Additionally, there would be a one-time technology cost of \$16,200 in Fiscal Year 2024 and ongoing material costs of \$772 each fiscal year.

This estimate assumes that the General Revenue-dedicated Opioid Abatement Account No. 5189 funding will be used to cover these identified costs as the bill's provisions expand the allowable uses of this account for these purposes.

## Technology

As mentioned above, there would be one-time technology costs of \$16,200 in Fiscal Year 2024 associated with the new FTEs.

## Local Government Impact

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

**Source Agencies:** 515 Board of Pharmacy

**LBB Staff:** JMc, NPe, GDZ, SLee