

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 18, 2023

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2173 by Alvarado (relating to a pilot program for the safe disposal of prescription drugs, including controlled substance prescription drugs), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2173, Committee Report 1st House, Substituted : 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	(\$2,861,864)	3.0
2025	(\$2,436,994)	3.0
2026	(\$2,436,994)	3.0
2027	(\$2,436,994)	3.0
2028	(\$2,436,994)	3.0

Fiscal Analysis

The bill would amend the Occupations Code to create a pilot program for the safe disposal of 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 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 terminate the pilot program on September 1, 2029. 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 30 times per year. The cost would be \$7,170 per pharmacy multiplied by the 100 assumed pharmacy participants, which brings the total cost for this portion of the bill's provisions to \$943,750 in fiscal year 2024 and \$717,000 in each subsequent year.

The bill requires that the Board of Pharmacy pay the costs of supplies necessary for a mail-back program. The bill indicates that the Board provide no more than 250 DEA-compliant mail-back pouches for the duration of the pilot program. The cost for a pack of 250 is \$1,815, making the total cost for this portion of the bill's provisions total \$181,500. These costs are estimated to be fiscal year 2024 as the agency anticipates that each pharmacy will use the entirety of the packets in one year.

The bill requires that the Board of Pharmacy develop and distribute community outreach materials. Assuming a flyer cost of \$.05 and with one flier per prescription (29,909 prescriptions), the total cost per pharmacy would be \$14,954. Assuming 100 pharmacy participants, the total cost would be \$1,495,450 each fiscal year for this portion of the bill's provisions. 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 \$775 each fiscal year.

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

This analysis assumes that any increased cost to the Board of Pharmacy would be offset by an increase in fee-generated revenue because the Board of Pharmacy is statutorily required to generate sufficient revenue to cover its costs of operation.

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