

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 355 **STATUS:** A Engrossed
SUBJECT: Requires the State Board of Pharmacy to establish an electronic prescription monitoring program and creates the Prescription Monitoring Advisory Commission
GOVERNMENT UNIT AFFECTED: State Board of Pharmacy; state agencies that license prescribers and dispensers of drugs
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DATE: April 13, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
See Analysis		

REVENUES:
See Analysis

POSITIONS / FTE:
See Analysis

EFFECTIVE DATE: On Passage; Sections related to pharmacy reporting is effective July 1, 2010

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: Senate Bill 355 requires the Board of Pharmacy to establish an electronic prescription monitoring program for certain prescription drugs. The bill also creates a Prescription Monitoring Advisory Committee, and, effective July 1, 2010, requires pharmacies to electronically report on the dispensing of drugs that are subject to the prescription monitoring program.

The bill provides for a fee of \$25 per year to be imposed on each person authorized to prescribe or dispense drugs. The fee will be collected by the agency that licenses the prescriber or dispenser of drugs. The licensing agency will retain 10% of the fee for administrative expenses, and will transmit 90% of the fee for deposit into the Electronic Prescription Monitoring Fund established in the bill. The Board of Pharmacy estimates that approximately \$1,155,600 in total fees will be collected. The licensing agencies will retain \$115,560 of these fees, with the balance of \$1,040,040 to be deposited into the Electronic Prescription Monitoring Fund.

This bill has a fiscal impact to all of the agencies that license prescribers and dispensers of drugs, for activities such as updating administrative rules, revising forms, and collecting and transmitting the fees. The 10% fee that these agencies will retain should offset the administrative costs for the licensing agencies.

The Board of Pharmacy is responsible for the Prescription Drug Monitoring Program, and will have costs directly related to the program. However, actual costs will depend on several factors, including the cost to contract for technology services.

The Board of Pharmacy notes that 38 other states currently have some type of electronic prescription monitoring program for certain prescription drugs, and that there are electronic statewide data systems that can be acquired. There are three potential data system vendors. The data system would be made available to pharmacies and other drug dispensers so that they could input the required prescription drug data. The Board has estimated that it might need a full-time Project Manager, and a half-time Pharmacist. The Pharmacist will provide advice and investigation services related to the implementation and ongoing oversight and management of the program. The estimated 2009-11 cost for staff is \$274,000. The total cost for the program, depending on information technology and other costs, and the expenses of the Prescription Monitoring Advisory Committee, is approximately \$685,000 Other Funds.

The U.S. Department of Justice, Bureau of Justice Programs awarded a \$350,000 federal grant to the Board to develop a prescription drug monitoring program for Oregon. The grant was approved by the Emergency Board in January 2004 and awarded by the U.S. Department of Justice in July 2004. The original grant period ended July 31, 2005, but has been subject to annual extensions since 2005. The expenditure of the entire grant requires state enabling legislation in the form of this measure. Similar measures during the 2005 and 2007 Legislative Sessions failed to become law (SB 180 and SB 34). Without the enactment of such legislation, only \$50,000 of the grant can be expended for planning purposes. The agency has expended \$33,711 of the Federal Funds, leaving a balance of \$316,289 for this program. The Board indicates that it may apply for further federal program improvement grants if this bill is enacted.