

HF2987 - 1E - "Prescription Drug Repository Program"

Chief Author: **Debra Kiel**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/10/2018**
 Agency: **Pharmacy Board**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020
Health Related Boards	-	-	14	12	12
Total	-	-	14	12	12
Biennial Total			14		24

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
Health Related Boards	-	-	.25	.25	.25
Total	-	-	.25	.25	.25

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021	
Health Related Boards	-	-	14	12	12	
Total	-	-	14	12	12	
Biennial Total			14			24
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Health Related Boards	-	-	14	12	12	
Total	-	-	14	12	12	
Biennial Total			14			24
2 - Revenues, Transfers In*						
Health Related Boards	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-			-

Bill Description

This bill requires the Minnesota Board of Pharmacy to establish a prescription drug repository through which certain permissible donors would be able to donate drugs and medical supplies, provided that the drugs and medical supplies met certain requirements. The drugs and medical supplies would be donated to central or local repositories, from which they could be administered or dispensed to certain low-income individuals.

The Board would need to publish a request for proposals in order to identify an entity willing to serve as the central drug repository. The Board would contract with the central drug repository but would not make any payments to it. Instead, the central and local repositories would be able to charge an individual receiving a donated drug or supply an administrative fee of up to 250% of the medical assistance dispensing fee. Those administrative fees would have to cover the costs for the repositories.

The Board would have to develop and maintain certain forms and documents and make them available on its Web site. (The Board would not have to bear the cost of having the forms and documents printed). The central and local repositories would have to provide copies of some of the forms, as well as certain data, to the Board on a regular basis.

Drug manufacturers would be granted immunity if certain things beyond their control happened, such as the alteration of a drug or supply by a party not under the control of the manufacturer. A health care facility participating as a repository, a pharmacist dispensing the donated drugs and supplies, a practitioner dispensing or administering donated drugs or supplies are also granted liability protections, as long as they comply with this new section of statutes and they do not commit an "act or omission involves reckless, wanton, or intentional 9.14 misconduct, or malpractice unrelated to the quality of the drug or medical supply."

Assumptions

It is assumed that a minimal number of facilities will actually opt to become the central or local repositories. Probably no more than a half dozen. It is assumed that the Board will not need to create any new positions. However, a current pharmacy surveyor will be assigned to develop the required documents and forms, with development occurring in FY 2019. In addition, current pharmacy surveyors will conduct periodic, unannounced inspections of the repositories. (There would not be enough additional worked to justify hiring another pharmacy surveyor). Clerical staff will need to process

applications and the forms and data that the repositories submit to the Board. Depending on the volume of forms and data, the Board may need to fill existing (but vacant) student worker positions or a part-time, temporary office specialist position that is on hold. If a vacant position is filled, we will need to purchase equipment (computer, monitor, keyboard, and mouse).

There will be no need to make modifications to the Board’s licensing database. As noted above, it is assumed that there will be only a few repositories to track. Those repositories will not be paying any fees to the Board so there will be no revenue to track. It would not be prudent to make changes to our licensing database software to track them.

Current license and registration numbers are assigned a “lead” number per license or registration type. For example all pharmacist license numbers start with “1.” The only number currently not in use is “9” - and we would want to reserve that number for a new license or registration type that would involve licensing or registering much large number of individuals or businesses. If we ever have more than nine license and registration types, we would most likely have to have our vendor develop a new licensing/registration number configuration (e.g. expanding the length of license number from six to seven). That would be most likely cost in the tens of thousands of dollars. We would not want to make that type of investment to track a handful of repositories. Instead, we can track them using Excel or Access.

The only IT impact involves the purchase of a computers, keyboard, monitor, mouse, etc.

Expenditure and/or Revenue Formula

Expenditures

Description	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
PT Salaries student worker or PT /Temp Office Specialist - .25 FTE			10	10	10
In State Travel			2	2	2
Equipment			2	0	0
Total Expenses			14	12	12

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Revenues

There are no revenues related to this fiscal note.

Long-Term Fiscal Considerations

No significant long-term fiscal considerations.

Local Fiscal Impact

None known

References/Sources

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