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

MEASURE NUMBER: SB 355 STATUS: Original

**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

**PREPARED BY:** Robin LaMonte **REVIEWED BY:** Erica Kleiner

**DATE:** February 6, 2009

EVDENDUUDEC.	<u>2009-2011</u>			<u>2011-2013</u>	
EXPENDITURES:					
Personal Services	\$	277,114	\$	277,114	
Services and Supplies	\$	363,458	\$ _	329,002	
Total Other Funds	\$	640,572	\$	606,116	
REVENUES:					
Controlled Substances Fee – Other Funds (see comments)		1,154,000		1,154,000	
Federal Grant – Federal Funds	\$	300,000	\$_	0	
Total Funds	\$	1,454,000	\$	1,154,000	
POSITIONS / FTE:					
		2/1.5		2/1.5	

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

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**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 January 1, 2010, requires pharmacies to electronically report on the dispensing of drugs that are subject to the prescription monitoring program.

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 will add a full-time project manager and a half-time pharmacist to implement and provide ongoing management of the program. The estimated 2009-11 cost for these activities, including initial informational technology start up costs and the expenses of the Prescription Monitoring Advisory Committee, is \$640, 572.

Section 7 of the bill provides for the imposition of a fee, not to exceed \$25, on pharmacist and other designated drug dispensers. The bill does not specifically indicate that this is an annual fee. However,

the Board assumes that, consistent with the provisions of ORS 689.135, a \$25 annual fee would be imposed. This would generate an estimated \$1,154,000 Other Funds, which exceeds the cost of this program. The Board notes that it doesn't have a sufficient operating ending balance to provide funding for unanticipated expenses. However, the Governor's budget for the Board includes fee increases that, if approved, would generate a 9 month ending balance. Therefore, the Board may not need to impose the full \$25 fee that is authorized in the bill.

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 a portion of the \$50,000 and anticipates that the remainder will be spent by the end of the 2009 biennium, leaving a balance of \$300,000 in 2009-11 for this program. The Board indicates that it may apply for further federal program improvement grants if this bill is enacted.