

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECT  
FISCAL MEMORANDUM**

**SB 221 – HB 482**

March 25, 2013

**SUMMARY OF ORIGINAL BILL:** Requires physicians in a hospital emergency department who have been presented with a case involving an overdose of a controlled substance to consult the controlled substance database and check whether such patient has been prescribed a controlled substance. If such substance has been prescribed, the physician is required to report the overdose to the Board of Medical Examiners and any other appropriate health-related board.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (004566):** Deletes the original bill. Requires an attending physician in a hospital emergency department who has been presented with a case involving an overdose of a controlled substance to send a report to the Department of Health that includes the name of the patient, any necessary identifying information, and any additional information the physician deems pertinent at the time of the report. Requires the Department of Health to develop a form that can be used by hospital emergency departments to report the names of the persons who present with an overdose. Further requires the Department to attempt to notify any recent prescribers of drugs for the patient that an overdose has occurred as long as the notification does not interfere with an investigation of one or more of the prescribers.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

On March 13, 2013, a fiscal memorandum was issued stating the following fiscal impact:

*Unchanged from the original fiscal note.*

*Based on subsequent information received from the Department of Health regarding the workload of the Board of Pharmacy, this impact is in error. The estimated impact is:*

**SB 221 – HB 482 (CORRECTED)**

**(CORRECTED)**

**Increase State Expenditures - \$34,400/One-Time/Board of Pharmacy  
\$413,100/Recurring/Board of Pharmacy**

**Other Fiscal Impact – The Board of Pharmacy is required to be self-supporting such that revenue covers any incurred expenditures. The Board will have to increase fee revenue in an amount necessary to cover the estimated increase in one-time expenditures of \$34,400 and recurring expenditures of \$413,100. As of June 30, 2012, the Board had a cumulative reserve balance of \$929,407.**

Corrected assumptions for the bill as amended:

- According to the Department of Health, there are approximately 23,000 drug poisonings each year in the state of Tennessee.
- The Board of Pharmacy will require additional staff to query the Controlled Substance Monitoring Database (CSMD), send a letter to the appropriate prescribers to notify of such poisoning.
- The Board will require 3 additional statisticians to query the CSMD and 5 additional clerks to send out letters to prescribers.
- Three additional statisticians will result in a recurring increase in state expenditures of \$173,565 [3 x (salary \$32,910 + benefits \$4,946 + insurance \$5,999 + phone/LAN/WAN \$1,400 + office lease \$4,100 + supplies \$600 + administrative cost allocation \$7,900)].
- Five additional clerks will result in a recurring increase in state expenditures of \$228,990 [5 x (salary \$22,428 + benefits \$3,371 + insurance \$5,999 + phone/LAN/WAN \$1,400 + office lease \$4,100 + supplies \$600 + administrative cost allocation \$7,900)].
- There will be additional recurring costs in the amount of \$10,580 for postage.
- There will be a one-time increase in FY13-14 of \$34,400 due to these 8 additional positions [8 x (office landscaping \$2,700 + computer/software/etc. \$1,600)].
- The total recurring increase in state expenditures, beginning in FY13-14, is estimated to be \$413,135 (\$173,565 + \$228,990 + \$10,580).
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board of Pharmacy had closing balances of \$553,901 in FY10-11, \$85,209 in FY11-12, and a closing reserve balance of \$929,407 on June 30, 2012.
- According to the Department, this bill will result in no significant fiscal impact to the Board of Medical Examiners or the Board of Osteopathic Examination.
- Any required rule-making by the Board can be handled within existing resources.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board of Medical Examiners had closing balances of \$613,808 in FY10-11, \$687,808 in FY11-12, and a closing reserve balance of \$2,153,016 on June 30, 2012. The Board of Osteopathic Examination had closing balances of \$132,030 in FY10-11, \$117,644 in FY11-12, and a closing reserve balance of \$345,204 on June 30, 2012.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb