

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 317 - SB 582

March 10, 2013

SUMMARY OF BILL: Expands the current definitions for “compounding” and “dispense” in statute relative to pharmacy practice. Authorizes drugs to be compounded for use in a practitioner’s office or licensed health care facility, and be prescribed to the patients of any such practitioner or licensed health care facility.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Health, allowing a pharmacy to compound drugs and dispense such drugs to patients would, by definition, be distribution, which under current statute requires a manufacturer’s license, which is separate and apart from a pharmacy license.
- A registration fee of \$50 applies to anyone seeking to become a pharmacist. A pharmacist license costs \$96 every two years.
- A registration fee of \$168 is applicable to any entity seeking a manufacturer/wholesaler/distributor (MWD) license. A MWD license costs \$408 every two years.
- This act may result in any number of current MWD licensees renewing as a pharmacist license due a lower cost for licensure but due to the difficulty of determining what companies currently have both licenses, an exact impact cannot be determined. It is reasonably estimated that any decrease will not be significant.
- Any costs incurred due to additional regulatory responsibilities by the Board will not be significant and can be accommodated 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 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.

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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