

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1216 - SB 1287

April 14, 2015

SUMMARY OF ORIGINAL BILL: Increases, from 15 to 30 days, the period of time for a supervising physician to submit an explanation to the Department of Health (DOH) justifying the amounts of controlled substances prescribed and demonstrate that these amounts were medically necessary for the patients treated and that the supervising physician reviewed and approved the prescribing amounts of advanced practice nurses and physician assistants who appear in the top 50 prescribers of controlled substances.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (006164, 005798): Deletes all language after the enacting clause. Amendment 005798 requires the top ten prescribers of controlled substances in all of the counties combined having a population of less than 65,000 according to the 2010 federal census to submit an explanation to the Department of Health (DOH) justifying the amounts of controlled substances prescribed and demonstrate that these amounts were medically necessary for the patients treated and that the supervising physician reviewed and approved the prescribing amounts of advanced practice nurses and physician assistants. Currently this requirement is limited to the top fifty prescribers of controlled substances in the state.

Amendment 006164 specifies that it is not a requirement of any provider of home medical equipment or services that manufactures or distributes, or manufactures and distributes the provider's own company-branded insulin infusion pumps and related supplies and services to have a place of business in this state if the provider:

- Maintains an employee presence within this state;
- Is accredited by the Joint Commission on Accreditation of Healthcare Organizations; and
- Maintains a service telephone number for 24-hour access, 7 days a week.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - \$1,100/Board for Licensing Health Care Facilities

Increase State Expenditures – Not Significant/Board for Licensing Health Care Facilities

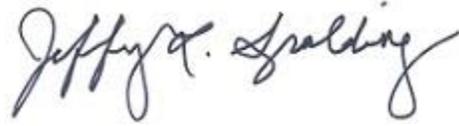
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Assumptions for the bill as amended:

- Requiring additional prescribers of controlled substances to provide explanations regarding the prescribing of controlled substances will have no significant impact on the oversight or regulatory actions of DOH.
- It is assumed that amendment 006164 will result in one additional licensed home medical equipment provider.
- The Board for Licensing Health Care Facilities regulates and licenses home medical equipment providers.
- A home medical equipment provider will pay \$1,080 for the license and it must be renewed annually.
- A recurring increase in state revenue of \$1,080.
- Any necessary rule changes can be accommodated during regularly scheduled Board meetings.
- The Board had net surpluses of \$599,456 in FY12-13 and \$386,355 in FY13-14.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

/jdb