

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2126 - SB 2060**

February 8, 2016

**SUMMARY OF BILL:** Effective January 1, 2017, establishes the following additional requirements of any health care prescriber in order to dispense opioids or benzodiazepines: requiring that all purchases of opioids or benzodiazepines be from a manufacturer licensed by the Board of Pharmacy or a repackager; installation of computer software that will manage, inventory, dispense, and report all controlled substances; developing the capable of electronically submitting such reports; dispensing opioids and benzodiazepines in the minimum dosage amounts that a health prescriber would provide to a patient for the purpose of preventing, evaluating, diagnosing, or treating an illness, injury, disease, or symptoms; dispensing opioids and benzodiazepines in safety-sealed, prepackaged containers stamped with the manufacturer's national drug code (NDC) number; periodically administering and recording pill-counts for opioids and benzodiazepines in order to monitor patient compliance with the prescription; dispensing no more than a thirty-day supply, unless circumstances provide otherwise; assuring that patients receive medically necessary medication counseling, both written and orally, including information on possible side effects and adverse drug interactions with other medications the patient may be taking; assuring opioids or benzodiazepines are dispensed only to an established patient of the practice by a health care prescriber, or a medical technician working under the direct supervision of a physician.

The Board of Pharmacy is authorized to promulgate rules necessary for the registration of all dispensing health care prescribers who dispense opioids or benzodiazepines and assess a fee for registration, as necessary. Authorizes the Department of Health (DOH) to randomly inspect clinics where dispensing health care prescribers dispense opioids or benzodiazepines solely for the purpose of determining compliance with the requirements provided in this legislation. Any dispensing health care prescriber that is licensed or becomes licensed by the Board of Pharmacy is exempt from the requirements of this legislation.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$221,500/FY16-17/Board of Pharmacy**

**\$416,700/FY17-18 and Subsequent Years/Board of Pharmacy**

**Increase State Expenditures –**

**\$221,500/FY16-17/Board of Pharmacy**

**\$416,700/FY17-18 and Subsequent Years/Board of Pharmacy**

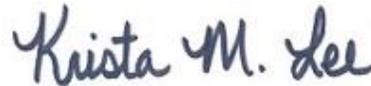
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Assumptions:

- The DOH indicates an approximate 450 unlicensed dispensaries would register and become licensed with the Board of Pharmacy as a result of this bill.
- According to the DOH, this legislation will substantially increase the registration and investigatory duties of the Board of Pharmacy.
- The Board of Pharmacy will require two additional pharmacist investigators, one additional licensing technician and one additional administrative assistant to handle the increase in workload.
- A one-time increase in state expenditures of \$13,200 (computers/printers \$7,500 + office furniture \$5,700).
- Two vehicles will be leased by the Board of Pharmacy to allow the two investigators to travel to dispensaries and confirm that dispensaries are in compliance with the requirements of this legislation.
- The recurring increase in state expenditures beginning in FY17-18 is estimated to be \$416,679 (salaries \$306,000 + benefits \$95,579 + vehicle leases/maintenance/travel \$9,600 + communications \$2,800 + supplies \$2,400 + remote connection \$300); the increase in state expenditures for FY16-17 is estimated to be \$221,540 [\$13,200 + (\$416,679 x 50.0%)] due to the effective date of January 1, 2017.
- This legislation authorizes the Board of Pharmacy to assess a registration fee for registering dispensaries to offset the cost of administering this increase in regulatory duties. Therefore, the Board will set and adjust fees accordingly such that the increase in state revenue for FY16-17 will be approximately \$221,540 and for FY17-18 and subsequent years will be approximately \$416,679.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over any two year period. The Board of Pharmacy had a deficit of \$66,136 in FY13-14, a surplus of \$284,085 in FY14-15, and a cumulative reserve balance of \$1,444,168 on June 30, 2015.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

/jdb