

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3561-01
Bill No.: HB 1044
Subject: Economic Development Dept.; Licenses - Professional; Pharmacy
Type: Original
Date: March 29, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Pharmacy	\$0	\$25,000 to \$200,000	\$25,000 to \$200,000
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$25,000 to \$200,000	\$25,000 to \$200,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** and **University of Missouri** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General** assume any potential costs arising from the proposal can be absorbed with existing resources.

Officials from the **Office of Administration (COA) - Division of Budget and Planning** assume the proposal will have no fiscal impact on their organization. The proposal may increase total state revenue.

Officials from the **COA - Administrative Hearing Commission** assume the proposal will not significantly alter its caseload. However, if other similar proposals also pass, there are more cases, or the cases are more complex, there could be a fiscal impact.

Officials from the **Department of Health and Senior Services (DOH)** state the proposal would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Office of Prosecution Services** assume any costs incurred as a result of the proposal would be absorbable within current funding levels.

ASSUMPTION (continued)

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state the proposal amends various provisions regarding the regulation of pharmacists and pharmacies. In addition, the proposal establishes authority to impose civil penalties for unlicensed activity and allows the board to recover costs when the Administrative Hearing Commission rules in favor of the board. The DED-PR states the State Board of Pharmacy estimates that they could potentially collect between \$25,000 and \$200,000 per year in civil penalties. It is estimated the additional revenue will allow the board to eventually lower licensing fees.

Officials from **Cooper County Memorial Hospital** and **Pemiscot Hospital** did not respond to our request for a statement of fiscal impact.

The proposal may result in an increase in Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
PHARMACY FUND			
<u>Income - Department of Economic Development - Division of Professional Registration</u>			
Civil penalties	\$0	<u>\$25,000 to \$200,000</u>	<u>\$25,000 to \$200,000</u>
ESTIMATED NET EFFECT ON PHARMACY FUND	<u>\$0</u>	<u>\$25,000 to \$200,000</u>	<u>\$25,000 to \$200,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business pharmacies may incur civil penalties if they employ an individual who is not licensed or whose license has been revoked.

DESCRIPTION

This proposal contains provisions relating to pharmacies, pharmacists, pharmaceutical services, and drug distributors. The proposal:

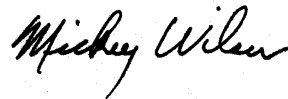
- (1) Allows the State Board of Pharmacy to place the names of pharmacy technicians on the employee disqualification list;
- (2) Gives the board the authority to refuse to issue certificates of registration or licenses and suspend or restrict licenses for certain conduct;
- (3) Authorizes the board to issue civil penalties against unlicensed persons engaging in the practice of pharmacy;
- (4) Allows for an appeal process for the imposition of civil penalties before the Administrative Hearing Commission;
- (5) Provides for immunity from civil liability for persons providing good faith information regarding licensees;
- (6) Adds two new pharmacy classifications: non-sterile compounding pharmacy and Internet pharmacy;
- (7) Gives the board the authority to terminate the distribution of prescription drugs that have been adulterated, misbranded, or stolen; and
- (8) Allows the board to request an order of payment for disciplinary cases from the Administrative Hearing Commission when complaints are filed and actual and necessary costs are incurred from investigating and prosecuting the case. If it is determined that the order of payment represents the actual and necessary costs associated with investigating and prosecuting the case, the commission is required to issue an order of payment to the licensee when discipline is imposed.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
 Division of Budget and Planning
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Health and Senior Services
Office of Prosecution Services
University of Missouri

NOT RESPONDING: Cooper County Memorial Hospital and Pemiscot Hospital



Mickey Wilson, CPA
Director
March 29, 2004