

March 25, 2019

The Honorable Gene Suellentrop, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Suellentrop:

SUBJECT: Fiscal Note for SB 234 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 234 is respectfully submitted to your committee.

SB 234 would amend the Kansas Pharmacy Act by requiring the electronic prescribing of all Schedule II controlled substances and narcotic drugs prescribed and dispensed in Kansas. The bill would permit prescribers to seek a waiver from electronic prescribing in certain circumstances and would exempt pharmacists from verifying any waiver.

The Board of Pharmacy indicates that SB 234 would increase the time spent by staff associated with issuing waivers, reviewing complaints, and conducting relevant inspections and investigations to ensure compliance. Mandatory electronic prescribing often creates an influx in prescription errors related to mis-prescribing in electronic systems. This can result in patient harm and increases in review time for pharmacists. This may result in additional complaints to the Board, but could be resolved with education and training.

While the Board has current processes and staff to support these functions, each added element of compliance monitoring takes additional staff time. Licensing staff would be responsible for processing waiver requests and inspectors would include this in their compliance review of pharmacies and their practices. The Board anticipates total associated staff time could increase annual expenditures by \$51,500 for 0.50 Inspector FTE position and \$13,300 for 0.30 Licensing FTE position. Short-term costs would include researching guidelines, drafting regulations, and moving regulations through the administrative adoption process culminating in publication in the *Kansas Register*. The Board anticipates this may require 0.50 FTE position at a cost of \$51,500 for a six to eight-month period. The Board estimates that total salary and benefit costs associated with the bill would be \$116,330 for 1.30 FTE positions, but is unable to provide fiscal effect on other operating expenses.

The Board indicates there could be additional costs for prescribers, pharmacies, hospitals and other medical care facilities. While there has been an increase in electronic prescribing, it is not mainstream and would require significant technology investments and prescriber training, a fiscal effect cannot be determined.

The Board of Nursing indicates that SB 234 would require revision of some regulations. Communication would also need to occur between the Board and Advanced Practice Registered Nurses about the provisions of the bill. The Board estimates that the fiscal effect of the bill would be less than \$5,000.

The Board of Healing Arts indicates that SB 234 would result in an increase in complaints and investigations because the providers and pharmacies are not equipped or educated for immediate compliance with the bill. While the projected increase in complaints and investigations would increase responsibilities and workload for investigative, disciplinary, litigation and administrative staff of the Board a fiscal effect cannot be estimated.

The Kansas Dental Board, Kansas Board of Veterinary Examiners and the Kansas Board of Examiners in Optometry indicate that SB 234 would have minimal to no fiscal effect. Any fiscal effect associated with SB 234 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is fluid and cursive, with the first name "L." and last name "Campbell" clearly visible.

Larry L. Campbell
Director of the Budget

cc: Alexandra Blasi, Board of Pharmacy
Jill Simons, Board of Nursing
Charity Carlat, Dental Board
Jan Murray, Optometry
Jay Hedrick, Veterinary Examiners