

FISCAL NOTE
Requested by Legislative Council
01/23/2007

Amendment to: SB 2134

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$74,463 | \$0 | \$297,852 | \$0 | \$0 |
| Expenditures | \$0 | \$74,463 | \$0 | \$297,852 | \$0 | \$0 |
| Appropriations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Adds two sections to the action taken by HB 1459 from last session. Adds an immunity provision. Adds tramadol and carisoprodol to the list of drugs to be monitored. Only grant funds are allocated to be spent. The amendments only add provisions already adopted by rule and do not change the fiscal note.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The implementation and operation of this program will be funded by grant funds from the department of justice. The amendments do not change the fiscal note. We have applied for an enhancement grant of just under \$400,000 dollars, which will not be decided until October of 2007, so no information is included about that at this point.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None of these funds are included in the executive budget. All revenue comes from a US Department of Justice grant.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Medicaid and the Board of pharmacy are to implement this prescription drug monitoring program. One FTE will be hired by the board of pharmacy to manage the program, 0.25 FTE is allocated for pharmacist supervision of the program.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No appropriations are involved in this program. I have attached the budget from the grant applications.

NORTH DAKOTA PRESCRIPTION DRUG MONITORING PROGRAM
BUDGET WORKSHEET & NARRATIVE

A. Personnel

Name/Position Computation Cost

Program Assistant (1 FTE) (\$40,000 x 100% x 2.00 years) \$80,000

Pharmacist/Director (0.25 FTE) (\$84,000 x 25% x 2.00 years) \$42,000

Merit increase (\$40,000 x 2% x 1.00 year) \$800

Cost of living increase (\$61,000 x 2% x 1.00 year) \$1,220

The program assistant will serve as administrator and provide general direction and assistance to ensure the project maintains focus and timelines are met and will assist with required grant reporting, advisory committee meetings, and training and education. The program assistant will compile statistics and records requested by the advisory council or needed to evaluate program effectiveness. This person will assist in all program implementation and maintenance activities as directed including coordinating receipt and dissemination of program data, reconciliation of incompatible data issues, resolution of technical conflicts or issues, grant reporting, and responding to queries from pharmacists, prescribers, law enforcement, and the public.

The pharmacist will act as program manager, responsible for training and educational activities, acting as liaison with reporting pharmacies, supervising the program assistant, and assisting with investigations resulting from program information. This person will review all profile reports generated from program data and will distribute proactive reports of identified at-risk patients or indiscriminate prescribers to the appropriate parties, will review and determine the validity of requests for profile data from law enforcement and regulatory agents.

The program assistant is anticipated to receive a merit increase after 1 year of employment.

A 2% cost of living adjustment is anticipated for both employees the second year of employment.

TOTAL PERSONNEL WAGES \$124,020

B. Fringe Benefits

Benefit Computation Cost

Employer's FICA (\$124,020 x 7.65%) \$9,488

NDPERS (Retirement) (\$124,020 x 9.00%) \$11,162

Health Insurance (\$554 x 1.25 FTE x 24 months) \$16,618

Life Insurance (\$50,000) (\$28 x 1.25 x 24 months) \$745

Workers Compensation Insurance (\$124,020 x 1.9%) \$1,116

Unemployment Insurance (124,020 x 0.45%) \$558

Except as noted below, health, and life insurance premium benefits are calculated based on the average costs of those benefits currently provided to all North Dakota State Board of Pharmacy employees. Other benefit rates are current state of North Dakota Board of Pharmacy rates as a percentage of wages.

TOTAL FRINGE BENEFITS \$39,687

C. Travel

Purpose and Location of Travel Item and Computation Cost

Statewide education/information presentations to health professionals and the public regarding program activities and goals Mileage (3000 miles x 0.37.5/mile) \$1,125

Statewide education/information presentations to health professionals and the public regarding program activities and goals Refreshments provided for attendees (\$5/person x 800) \$4,000

Hotel for program staff for 10 programs (\$50/person/night x 2 people x 10) \$1,000

Meals for program staff for 10 programs (\$25/person/day x 2 x 10) \$500

Midwest Regional Planning Meeting -- State Prescription Monitoring Programs Assume average level 3 city for meal reimbursement (\$40/day), lodging rate of \$125 per day, and airline ticket \$550; including travel time, assume 2 travel days and 1 overnight; cost is provided for 2 attendees \$1,510

Annual National Conference -- State Prescription Monitoring Programs Meal reimbursement (\$45/day, lodging rate of \$170 per day, airline ticket \$625; including travel time, assume 2 travel days and 1 overnight, cost is provided for 2 attendees \$1,770

Advisory Group (3 practitioners and 3 pharmacists) to develop and review policy for notification of providers based on report generation Six group members and staff for travel to 3 meetings per year at \$200 per group member per meeting (6 x \$200 x 3) \$3,600

Travel is anticipated for 10 to 20 educational or informational sessions to be provided throughout the state. These sessions, if sponsored by the program, would be open to the public and would include refreshments as an inducement for attendance. Travel expenses, not including refreshment costs, may also be incurred by program

personnel responding to requests from health professionals or other civic groups to present information regarding the program and program goals.

Travel for the Midwest and National conferences is important to provide program personnel the opportunity to discuss progress and ideas regarding use and enhancement of prescription drug monitoring programs, to coordinate ideas regarding sharing applicable program data between and among states, and to establish contacts with other states' program personnel. These meetings also provide an opportunity to review and evaluate statistical information derived from program data and to share problems and solutions.

Travel estimates are based on State of North Dakota in-state travel & subsistence reimbursement policy: mileage is reimbursed at \$0.375 per mile; meals are reimbursed to a maximum \$25 per day; lodging is reimbursed at a maximum \$50 per night.

Out-of-state travel is based on State of North Dakota out-of-state reimbursement policy: actual cost of air travel if most cost-effective carrier utilized; actual cost of lodging if at the location of the meeting/conference; actual meal costs to the maximum daily rate for the destination-city level of reimbursement.

Costs for the Annual National Conference assume that the conference will continue to be held in Washington, DC (level 4 city) and the Regional Planning Meeting will be held in a central state.

TOTAL TRAVEL\$13,505

D. Equipment

| | |
|-----------------------|---------|
| Computer and Software | \$3,000 |
| Fax/Scanner/Printer | \$800 |
| Office Furniture | \$2,400 |
| Office Cubicle | \$2,400 |
| Total Equipment | \$8,600 |

Equipment for use of the program assistant within an existing office. Laptop Computer with software, a high speed fax machine, desk and console, with cubicle barriers for semi-privacy.

E. Supplies

Supply Item
Computation
Cost

Office Supplies
(\$80/month x 24 months)
\$1,920

Postage/Delivery Charges
(\$100/month x 24 months)
\$2,400

Educational Brochures for Health Care Practitioners
(\$400/1,000 x 3,000)
\$1,200

Educational Brochures for the Public
(\$400/1,000 x 30,000)
\$12,000

Office supplies are needed for general operation of the program.

Postage is needed to deliver educational materials to prescribers, pharmacies, and other interested parties and to deliver hard-copy profiles and statistical reports to qualified requestors.

Educational materials will be developed and used by program personnel and others involved in educating prescribers, pharmacists, and the public regarding the appropriate use of prescription and nonprescription medications, diversion and abuse issues, and treatment and recovery options. Educational brochures will be made available to health care practitioners at various meetings and through direct mail as requested and to the public in pharmacies, prescribers' offices, schools and libraries, retail outlets and other public access locations, and through direct mail request.

TOTAL SUPPLIES
\$17,520

F. Construction

No funding will be expended pursuant to this grant for construction purposes.

G. Consultant/Contract

DescriptionComputationCost

Contract for upgrade of Medicaid computer system to generate reports and receive data. Software engineer at \$125 per hour for 100 hours\$12,500

Contractor Cost-collect/assist with collection of controlled substance prescription data. Estimate of \$54,000 in startup year and \$46,000 in second year\$100,000

Upgrade for database applications and maintenance cost is based on usual costs incurred by Medicaid for similar work at present. Costs for data collection contractor is based on estimates from similar programs such as Wyoming and Nevada

TOTAL CONSULTANT/CONTRACT\$112,500

H. Other Costs

DescriptionComputationCost

Telecommunications(\$180 x 24 mos.)\$4,320

Utilities\$100 x 24 months\$2,400

Recruitment Costs for Program AssistantOne Time Expense\$1,200

Telecommunications includes monthly costs for 2 cellular telephones for the pharmacist and technical support person. Due to the travel requirements imposed on these positions, portable telephones will be needed. A dedicated high speed fax line to accommodate the large volume of faxed profiles expected and a DSL internet connection.

TOTAL OTHER COSTS\$7,920

I. Indirect Costs

DescriptionComputationCost

15% of personnel salaries and fringe benefits(\$323,034 x 15%)\$48,563

The North Dakota Department of Human Services has a federally approved cost allocation plan on file with our cognizant agency, The Department of Health and Human Services.

TOTAL INDIRECT COSTS\$48,563

BUDGET SUMMARY

Budget CategoryAmount

A. Personnel Wages\$124,020

B. Fringe Benefits\$39,687

C. Travel\$13,505

D. Equipment\$8,600

E. Supplies\$17,520

F. Construction0

G. Consultant/Contract\$112,500

H. Other\$7,920

TOTAL DIRECT COSTS\$323,752

I. Indirect Costs\$48,563

TOTAL PROJECT COSTS\$372,315

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|----------------------|--------------------|-----------------------|-------------------|
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