

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$55,715		\$55,715	
FEDERAL FUNDS	\$225,777		\$30,358	
OTHER FUNDS				
TOTAL FUNDS	\$281,492		\$86,073	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill requires credential holders under the Uniform Credentialing Act and all applicants under the act to register with the Department of Health and Human Services for the prescription drug monitoring system (PDPM). Exceptions are made for credential holders and applicants if they are not prescribers or treating patients, veterinarians, or active duty military not practicing in the state. The registration would be valid for the term of the credential and be a condition of renewal.

Currently all dispense drugs are required to be reported to the PDPM which is located in the Health Information Initiative (NEII). Of the 18,000 licensed prescribers, 25% are currently registered with the PDPM and of the 5,200 licensed pharmacists 37% are. The bill would increase the work of the PDPM. The PDPM is funded through a federal grant and the estimated additional costs of \$225,777 in FY 2022 and \$30,358 in FY 2023 would be handled through the federal grant. The department would need an additional licensing specialist to handle the biennial registrations. The cost would be \$55,715 in FY 2022 and FY 2023 from licensing fees.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 86	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-4-2021	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Health and Human Services' analysis and estimate of fiscal impact to the department appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 86	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Ann Linneman	DATE: 2-4-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the University of Nebraska's assessment of no fiscal impact.			

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 2-4-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$55,715	\$0	\$55,715	
FEDERAL FUNDS	\$225,777	\$0	\$30,358	
OTHER FUNDS				
TOTAL FUNDS	\$281,492	\$0	\$86,073	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 86 requires that beginning October 1, 2021 each credential holder under the Uniform Credentialing Act and each applicant for a credential under the act shall register with the department for the prescription drug monitoring system established pursuant to section 71 -2454 if the credential holder is, or applicant will be, a dispenser or prescriber as defined in section 71 -2454. The bill does not specify a deadline as to when registration must be completed.

The Prescription Drug Monitoring Program (PDMP) system is housed on the same platform as the Nebraska Health Information Initiative (NEHII) exchange by contract and in partnership with the Department of Health and Human Services. The registration shall be valid for the term of the credential, and renewal of the registration shall be a condition of renewal of the credential.

Currently, all prescription drugs dispensed must be reported to the system by either the dispenser or their designee. The lone exception is for prescription drugs dispensed for non-human patients in which the dispenser is only required to submit Controlled Substances CII-CV. Therefore, many licensed credential holders that dispense drugs elect the same designee to report all activity for that entity. Prescribers may choose to register for access to the system.

There are approximately 18,000 licensed prescribers and approximately 5,200 licensed pharmacists/dispensers. Of these, approximately 25% of licensed prescribers have completed the registration process. Approximately 1,922 or 37% of licensed pharmacists/dispensers have completed the registration process. This fiscal impact estimate is based upon the remaining number of prescribers and pharmacists /dispensers being required to register beginning October 1, 2021.

Biennial renewals are due at different times of the year and alternating years. Overall, an additional Health Licensing Specialist would be required for the coordination, follow-up and approval status with the PDMP-Drug Overdose Prevention Unit and the Licensure Unit employee processing the application or renewal.

The additional work required by LB 86 cannot be absorbed by existing PDMP staff due to the current workload. The estimate is based upon adding one IT Business Systems Analyst/Coordinator for the first calendar year of enactment to assist with the initial registrations. These registrations are also expected to overflow into FY 2022-2023 for at least a month. This position would need to be either a temporary or contract position and would need to be in place as soon as possible after LB 86 is adopted.

It is expected that the volume of work would decrease after FY2022-2023 or once the first two year cycle of eligible credential renewals and PDMP registrations have been completed. The ongoing costs would be re-evaluated at that time to determine if a budget issue to reduce spending authority is appropriate.

Estimate of Expenditures:

Position Description	FY21-22	FY22-23
Health Licensing Specialist @ \$15.862 per hour Responsible for cross checking LIS with PDMP system at the specified intervals and coordinate with the issuance or renewal of credentials. Assist vendor with testing and development of process.	\$32,993	\$32,993
IT Business Systems Analyst/Coordinator @ \$26.335 Provides all duties of the registration process, maintains the system, and coordinates account setup between the provider with the Program Coordinator and the PDMP contractor. Includes electronic notification to applicable licensed prescribers and dispensers.	\$54,777	\$5,267
Program Coordinator 200 hours @ \$24.207 Responds to provider questions and registration issues, Provides assistance to the IT Business System Analyst/Coordinator and the PDMP contractor	\$4,841	\$2,421
Total Direct Labor Costs	\$92,611	\$40,681
Benefits	\$28,811	\$12,656
Operations	\$34,970	\$15,361
Total Labor Burden	\$156,392	\$68,698

Additional labor costs will be incurred by the existing PDMP contractor. The Department is billed at an hourly rate that includes wages, taxes, and fringe benefits. The estimate includes the contractor's labor costs to set up access to the PDMP through the HIE.

Description	FY21-22	FY22-23
PDMP HIE Administrators 4,100 hours @ 34.75	\$125,100	\$17,375
Total Contracted Costs	\$ 125,100	\$17,375

*The PDMP is currently funded by a federal grant through the Centers for Disease Control. Should federal funding not become available in the future, then State General Fund appropriations would be required to implement LB 86.

The cost incurred for the additional Health Licensing Specialist would not be eligible for federal funding. This cost would need to be funded through the Professional and Occupational Credentialing cash fund. PDMP (federal) expenditures would take place in Program 262 Public Health Administration. Licensure (cash) expenditures would take place in Program 178 Professional and Occupational Licensure.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
IT Business Systems Analyst/Coordinator	1.0	.10	\$54,777	\$5,267
DHHS Program Coordinator	.10	.05	\$4,841	\$2,421
Health Licensing Specialist	1.0	1.0	\$32,993	\$32,993
Benefits.....			\$28,811	\$12,656
Operating.....			\$160,070	\$32,736

Travel.....
Capital Outlay.....
Aid.....
Capital Improvements.....
TOTAL.....

	\$281,492	\$86,073
--	-----------	----------

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 86 Prescriber Registration

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ February 4, 2021 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 86, dealing with prescriber registration, would have no fiscal impact on the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____