

PREPARED BY: Doug Nichols
 DATE PREPARED: January 20, 2009
 PHONE: 471-0052

LB 173

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill would provide for relabeling and redispensing of prescription drugs at certain correctional facilities.

The Department of Correctional Services (DCS) estimates a significant drug cost savings, but the actual amount is not determinable at this time. This is because it is unknown how often the circumstances allowing the relabeling will occur, for what drugs, and at what cost.

DCS spent over \$2,573,000 in FY06-07, \$2,508,000 in FY07-08, and approximately \$1,411,000 in FY08-09 through December 2008.

The agency currently destroys approximately 250 pounds of medications every three months. The bill will allow relabeling of some portion of these drugs. DCS notes that relabeling/redispensing will help in controlling the steadily increasing cost of drugs.

IMPACT ON POLITICAL SUBDIVISIONS: Last year in a similar bill to this one (LB759, 2008), Lancaster County estimated cost savings of \$30,313 in FY09 and \$32,132 in FY10. They noted that this savings could be reduced by processing or re-stocking fees charged by a pharmacy.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	1/20/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF CORRECTIONAL SERVICES: No basis to disagree with DCS analysis or to establish specific savings figure at this time.					