

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	\$60,000			
CASH FUNDS	\$158,161		\$178,986	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$218,161		\$178,986	

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

This bill requires all prescriptions written for controlled substances to be submitted to a pharmacy electronically beginning on January 1, 2022.

This bill harmonizes state statute with federal Medicare Part D requirement for electronically prescribing controlled substances. The University of Nebraska indicates the College of Dentistry would incur cash fund expenses to upgrade software to comply. If the College of Dentistry serves Medicare Part D patients, those costs would be incurred even without this bill.

The Department of Health and Human Services identified costs related to the Health Information Exchange (HIE) which the department helps to fund. Currently only dispensed drugs are reported to the HIE. In Section 4(2) all transmissions would need to be reported. The Department estimates this change would cost \$60,000 GF. Other additional costs in the department’s fiscal note for training of prescribers and software updates are estimated to cost \$158,161 in FY 2022 and \$178,986 in FY 2022. These costs would be cash from licensing fees.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 583	AM:	AGENCY/POLT. SUB: Nebraska Department of Health and Human Services	
REVIEWED BY: Ann Linneman	DATE: 2-3-2021	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: 583	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Ann Linneman	DATE: 1-29-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the University of Nebraska’s assessment of fiscal impact, however unsure why there would be revenue generated by this bill.			

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 2-2-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$218,161	\$0	\$178,986	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$218,161	\$0	\$178,986	\$0

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

Explanation of Estimate:

LB 583 changes requirements of reporting prescriptions for controlled substances.

The new data for prescriptions would be required to be reported to the statewide Health Information Exchange (HIE) as described in section 71-2455, the state's Prescription Drug Monitoring Program (PDMP).

LB 583 requires the prescriber to report all written prescriptions for controlled substances electronically to the PDMP. The Department of Health and Human Services (DHHS) would need staff to assist in training prescribers, performing data integrity checks, reporting and coordinating the workload. One (1) IT System Analyst and one (1) Program Coordinator would be hired by October 1, 2021.

Also, an additional IT Coordinator would be needed to coordinate the software updates to accommodate approximately 19,000 licensees with prescribing authorization during initial setup. The HIE provides management and technical support to DHHS for the PDMP. The estimate for additional cost incurred from the HIE provider is estimated to be \$60,000 for three (3) months assistance.

The cost to develop and adopt new rules and regulations and modify existing regulations will be absorbed by the Department of Health and Human Services as follows:

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	74.28	\$ 297
Deputy Director	4	53.48	\$ 214
Administrator I	4	30.82	\$ 123
Program Specialist	8	22.52	\$ 180
Program Analyst	16	21.91	\$ 351
Attorney III	30	33.82	\$ 1,015
Subtotal Staff Cost	66		\$ 2,180
Board Meeting			\$ 1,500
Total Absorbed Costs			\$ 3,680

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
Information Technology Business Systems Analyst	0.75	1	\$39,842	\$53,123
DHHS Program Coordinator	0.75	1	\$39,651	\$52,867
IT Business Systems Coordinator	0.25	0	\$14,166	\$0

Benefits.....			\$29,137	\$32,974
Operating.....			\$95,365	\$40,022
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$218,161	\$178,986

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2021

LB⁽¹⁾ 583 Electronic Rx

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 28, 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	<u>140,000</u>	<u>140,000</u>	<u>103,300</u>	<u>103,300</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>140,000</u>	<u>140,000</u>	<u>103,300</u>	<u>103,300</u>

Explanation of Estimate:

LB 583, an act relating to prescriptions, requires electronic issuance of prescriptions for most controlled substances beginning January 1, 2022. This bill will require the College of Dentistry clinics to purchase and activate subscriptions to e-Prescription software and upgrades/updates to current Electronic Dental Records (EDR) software. Training in the new software for all providers will be needed before January 1, 2022. The e-Prescription software system requires provider user fees on an ongoing basis.

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>
Support Staff	<u>.1</u>	<u>.2</u>	<u>4,700</u>	<u>9,500</u>
Benefits @29%.....			<u>1,300</u>	<u>2,800</u>
Operating.....			<u>134,000</u>	<u>91,000</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>140,000</u>	<u>103,300</u>