

PREPARED BY: Liz Hruska
 DATE PREPARED: December 16, 2021
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LB 86

Revision: 01

Updated for the 2022 Session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$299,124		\$76,843	
OTHER FUNDS				
TOTAL FUNDS	\$299,134		\$76,843	

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 20,000 licensed prescribers, 23% are currently registered with the PDPM and of the 6,500 licensed pharmacists 38% are. The bill would increase the work of the PDPM. The PDPM is funded through a federal grant and the estimated additional costs of \$299,124 in FY 2023 and \$76,843 in FY 2024 would be handled through the federal grant. If federal funding is not available in the future, General Funds may be required.

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: 12-13-2021	PHONE: (402) 471-4180	
COMMENTS: : No basis to disagree with The Nebraska Department of Health and Human Services' analysis and estimate of 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) John Meals

Date Prepared 12-13-21

Phone: (5) 471-6719

	<u>FY 2022-2023</u>		<u>FY 2023-2024</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS	\$ 299,124		\$ 76,843	
OTHER FUNDS				
TOTAL FUNDS	\$299,124		\$76,843	

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 of Health and Human Services (DHHS) Prescription Drug Monitoring Program (PDMP) software system, established pursuant to Nebraska § 71-2454, if the credential holder is, or applicant will be, a prescription drug dispenser or prescriber as defined in Nebraska §71-2454. The registration shall be valid for the term of the credential, and renewal of the registration shall be a condition for renewal of the credential.

This fiscal note is based upon the required registrations being completed in conjunction with a) an initial issuance of an applicable credential or b) applicable credential holder renewals.

Currently, all prescription drugs dispensed must be reported to the system by either the dispenser or their designee, except for those not required by Nebraska Statutes. Registration and reporting by a prescriber is optional. As of July 1, 2021, there were approximately 20,000 licensees eligible to be a prescriber. Of these, approximately 23% have completed the registration process voluntarily. Also, there were approximately 6,500 licensees eligible to be a dispenser. Of these, approximately 38% have completed the registration process. It is noted that although prescription drugs must be reported to the PDMP, the licensee can designate another employee to access and enter prescription data. Therefore, the licensee is not required to register. LB 86 adds registration with the PDMP as a statutory requirement for the applicable prescribers and dispensers.

The PDMP system is housed on the same platform as the Nebraska Health Information Initiative (NEHII) exchange by vendor contract and in partnership with DHHS. Additional vendor contract work will be required to implement LB 86 as well as additional work by DHHS staff.

Biennial renewals for eligible prescribers and dispensers are due at different times of the year and during alternating years. The estimated number of PDMP registrations to occur during credential renewals are as follows:

<u>Fiscal Year</u>	<u>Date</u>	<u>Credential</u>	<u>No. Issued</u>	<u>Estimated Remaining</u>
FY22-23	10/1/22	Physician / Prov / PLT / TEP	13,578	10,455
FY22-23	10/31/22	APRN - CNM	62	48
FY22-23	10/31/22	APRN - CRNA	747	575
FY22-23	10/31/22	APRN - NP	3,017	2,323
FY22-23	3/1/23	Dentist / Prov / Temp	1,598	1,230
FY23-24	10/1/23	Physician Assistants	1,603	1,234
FY23-24	1/1/24	Pharmacists/Prov/Intern/Delegate	6,568	4,072
FY23-24	4/1/24	Podiatrists	106	82
Total Current Eligible Prescribers/Dispensers			27,279	20,019

The additional work required by the Licensure Unit to coordinate with the PDMP-Drug Overdose Prevention Unit shall be absorbed by Licensure Unit staff.

The additional work required by the PDMP-Drug Overdose Prevention Unit would require additional staffing due to the current workload. The estimate is based upon adding one (1) 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 2023-2024. 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.

After the first two year cycle of PDMP initial registrations have been completed, it is expected that the volume of work associated with LB 86 would decrease significantly. However, the ongoing costs associated with PDMP registration renewals for prescribers could then be re-evaluated to determine if a budget issue exists and a change spending authority is appropriate.

Estimate of Expenditures:

<u>Position Description</u>	<u>FY22-23</u>	<u>FY23-24</u>
IT Business Systems Analyst/Coordinator 2,160 hours @ \$26.862. Provides duties related to the registration process, maintains the system, and coordinates account setup between registrant, Program Coordinator and the PDMP contractor. Includes electronic notification to applicable licensed prescribers.	\$55,872	\$2,151
Program Coordinator 240 hours @ \$25.061 Responds to registrant questions and issues. Provides assistance to the IT Business System Analyst/Coordinator and the PDMP contractor	\$5,013	\$1,003
Total Direct Labor Costs	\$60,885	\$3,154
Benefits	\$20,841	\$1,079
Operations	\$23,537	\$1,219
Total Labor Burden	\$105,263	\$5,452

Additional costs will be incurred by the existing PDMP contractor. DHHS is billed at an hourly rate that includes wages, taxes, and fringe benefits. This estimate includes the contractor's composite staff cost of \$100 hourly to set up access to the PDMP and following up on registration completions.

Description	FY22-23	FY23-24
PDMP Contract Work	\$ 193,861	\$71,391
Total Contracted Costs	\$ 193,861	\$71,391

The PDMP is currently funded by a Federal grant through the Centers for Disease Control within Program 262 Public Health Administration. Should Federal funding not become available in the future, then State General Fund appropriations would be required to implement LB 86.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2022-2023	2023-2024
	22-23	23-24	EXPENDITURES	EXPENDITURES
V07082 IT Business Systems Analyst	1.0	.04	\$ 55,872	\$ 2,151
R01740 Program Coordinator	.10	.02	\$ 5,013	\$ 1,003
Benefits.....			\$ 20,841	\$ 1,079
Operating.....			\$ 217,398	\$ 72,610
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$ 299,124	\$ 76,843