

Multiple Agency Fiscal Note Summary

Bill Number: 1316 HB	Title: Prescription importation
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Health	0	70,500	0	70,500	0	70,500
Total \$	0	70,500	0	70,500	0	70,500

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Health	.2	0	60,000	.0	0	0	.0	0	0
Total	0.2	\$0	\$60,000	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Revised

Bill Number: 1316 HB	Title: Prescription importation	Agency: 107-Wash State Health Care Authority
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Part I: Estimates

☒ **No Fiscal Impact**

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Dave Knutson	Phone: 360-786-7146	Date: 01/20/2005
Agency Preparation: Astrid Pearson	Phone: (360) 923-2810	Date: 01/25/2005
Agency Approval: Don Arlow	Phone: 360 923-2806	Date: 01/25/2005
OFM Review: Elise Greef	Phone: 360-902-0539	Date: 01/25/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Staff time spent in consultation with the Board of Pharmacy would fall within current staff’s regular duties.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

Individual State Agency Fiscal Note

Bill Number: 1316 HB	Title: Prescription importation	Agency: 303-Department of Health
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Health Professions Account-State 02G-1	35,250	35,250	70,500	70,500	70,500
Total \$	35,250	35,250	70,500	70,500	70,500

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.3	0.0	0.2	0.0	0.0
Fund					
Health Professions Account-State 02G-1	60,000	0	60,000	0	0
Total \$	60,000	0	60,000	0	0

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Dave Knutson	Phone: 360-786-7146	Date: 01/20/2005
Agency Preparation: Danny Howard	Phone: (360) 236-4625	Date: 01/20/2005
Agency Approval: Terry Davis	Phone: 360-236-4530	Date: 01/25/2005
OFM Review: Elise Greef	Phone: 360-902-0539	Date: 01/25/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill would require the following actions and changes:

- By September 1, 2005, the Board of Pharmacy must work with Health Care Authority (HCA) to submit a waiver to the Food and Drug Administration (FDA) to allow the Board to license Canadian drug wholesalers.
- Drugs purchased from Canadian wholesalers must be from an approved manufacturer.
- The Board must establish safe labeling, tracking, and shipping procedures for drugs purchased from Canadian wholesalers.
- The Board, in consultation with the HCA, must submit an implementation plan, on each component of the waiver, to the Governor and legislative committees by December 1, 2005.
- Adds Canadian wholesalers to the law governing wholesale drug purchases.
- Requires the on-site inspection and certification of Canadian wholesalers if a reciprocal agreement is not reached with Health Canada.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Sections 1 & 3: For the purpose of this fiscal note, Health Professions Quality Assurance (HPQA) estimates that 50 Canadian drug wholesalers will apply for a license in FY06. The license fee for wholesalers is \$705 (U.S. Funds). The original license and yearly renewal fees are the same.

This license fee is based on the assumption that the Board would develop reciprocal licensing agreements with Canadian licensing authorities and onsite inspections would not be necessary. If on-site inspections were necessary the licensing fee would be increased.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Health Systems Quality Assurance:

Section 1: One time costs in FY06 would be required for staff to review the initial applications from Canadian Wholesalers. This would require a .06 FTE Health Services Consultant 1 and associated costs.

Section 2: The bill would require the Board to consult with HCA on a waiver to the FDA to authorize the State to license Canadian wholesalers, and to submit a detailed waiver implementation plan to the governor by December 1, 2005. This requires staff time to plan and attend meetings, and develop the waiver and implementation plan. One time costs would include a .03 FTE WMS 3 and a .01 FTE Pharmacist Consultant.

The board would have three meetings with Health Canada and Provincial health administrators to develop reciprocal licensing agreements. Each meeting would be held over several days to allow contact with Health Canada and multiple Provinces. One meeting would be held in Vancouver, BC and 2 would be held at Health Canada Headquarters in Ottawa, Ontario. Board of Pharmacy would send 2 staff to each meeting. Travel expenses would exceed those for typical out of state travel.

The Board assumes that the addition of Canadian wholesalers would not increase the number of complaints received. Complaints are normally received from patients and consumers and involve pharmacists and pharmacies.

One time staff costs for FY06 associated with licensing agreements would include a .06 FTE WMS 3, .03 FTE Pharmacist

Consultant and a .02 FTE Secretary Admin.

Section 3: This bill would require on-site inspections of participating Canadian wholesalers if the Board of Pharmacy was unable to develop a reciprocal licensing agreement with Health Canada. It is assumed, for purposes of this fiscal note, that the Board would be able to develop a reciprocal licensing agreement.

As a part of rulemaking the board would hold five stakeholder meetings in FY06, of which one would be in Spokane, one in Vancouver, one in Olympia, and two in the Seattle area. Staff time would be needed to coordinate the meetings. Two board members and 3 staff would attend the meetings.

One time costs for FY06 related to rulemaking include staff time and associated costs, travel costs for staff and board members, meeting room rentals, printing and postage. FTEs required would include a .03 FTE WMS 3, .03 FTE Pharmacist Consultant, .03 FTE Health Services Consultant 4, and a .02 FTE Secretary Admin.

During rulemaking, HPQA will require an attorney to review current state and federal laws and rules for conflicts with new laws. Costs include an estimated 100 hours of an Assistant Attorney General.

For the purpose of the fiscal note, ongoing costs associated with the renewal of Canadian Wholesalers licenses was considered insignificant therefore no additional spending authority is being requested.

Community and Family Health:

Section 2 of this bill could have an impact on the funds HIV Client Services receives from the federal government to purchase drugs. Depending on the cost of the drugs and the continuation of rebates, the impact is indeterminate at this time.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.3	0.00	0.2		
A-Salaries & Wages	21,000		21,000		
B-Employee Benefits	5,000		5,000		
C-Personal Serv Contr					
E-Goods and Services	27,000		27,000		
G-Travel	7,000		7,000		
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement					
Total:	\$60,000	\$0	\$60,000	\$0	\$0

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Hlth Services Consultant 1	38,580	0.1		0.0		
Hlth Services Consultant 4	58,656	0.0		0.0		
Pharmacist Consultant	68,028	0.1		0.0		
Secretary Administrative	35,808	0.0		0.0		
WMS 3	84,996	0.1		0.1		
Total FTE's		0.3		0.2		0.0

III. C - Expenditures By Program (optional)

Program	FY 2006	FY 2007	2005-07	2007-09	2009-11
Hlth Svcs Quality Assurance (060)	53,000		53,000		
Administration (090)	7,000		7,000		
Total \$	60,000		60,000		

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Sections 1-3: Rules would be required to implement a reciprocal licensing agreement with Canadian Wholesalers. In addition, it would require reference to federal rules regarding such licensure.