

Multiple Agency Fiscal Note Summary

Bill Number: 6020 SB	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	57,000	.0	0	0	.0	0	0
Total	0.2	\$0	\$57,000	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

Bill Number: 6020 SB	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:	Phone:	Date: 03/01/2005
Agency Preparation: Astrid Pearson	Phone: (360) 923-2810	Date: 03/02/2005
Agency Approval: Connie Robins	Phone: 360 923 2923	Date: 03/07/2005
OFM Review: Elise Greef	Phone: 360-902-0539	Date: 03/07/2005

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 Board of Pharmacy, in consultation with the Department of Health and the Health Care Authority (HCA), to license Canadian prescription drug wholesalers to allow retail pharmacies licensed in Washington State to purchase prescription drugs from approved Canadian wholesalers. The pharmacies would pass those savings on to consumers who have no third party reimbursement for those prescription drugs.

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.

None. Staff time spent in consultation with the Board of Pharmacy would be absorbed by the HCA.

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: 6020 SB	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	57,000	0	57,000	0	0
Total \$	57,000	0	57,000	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:	Phone:	Date: 03/01/2005
Agency Preparation: Danny Howard	Phone: (360) 236-4625	Date: 03/03/2005
Agency Approval: Carla Delducco	Phone: (360) 236-3927	Date: 03/04/2005
OFM Review: Elise Greef	Phone: 360-902-0539	Date: 03/04/2005

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:

- 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 of Pharmacy (BOP), in consultation with the Department and Health Care Authority (HCA), must submit an implementation plan on each section of this bill 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.
- Any parts of this bill found to be in conflict with federal requirements would not be implemented.

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 2-3: For the purpose of this fiscal note Health Professions Quality Assurance 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 of Pharmacy 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 Professions Quality Assurance (HPQA):

Section 2-3: One-time rulemaking costs would be required in FY06. BOP would hold five stakeholder meetings, of which one would be in Spokane, one in Vancouver, one in Olympia, and two in the Seattle area. During rulemaking, HPQA would require an attorney to review current state and federal laws and rules for conflicts with new laws. Costs would require staff and associated costs, board member time, Attorney General (AG) time, travel for staff and board members, meeting room rentals, printing and postage. Staff would include a .03 FTE Executive Director (WMS 3), .03 FTE Pharmacist Consultant, .03 FTE Health Services Consultant 4, and .04 FTE Secretary Administrative.

This bill would require BOP to consult with the Department and HCA and submit a detailed plan to the governor and appropriate legislative committees by December 1, 2005. This would require one-time costs in FY06 for staff and associated costs to attend meetings and develop the implementation plan. Staff would include a .02 FTE Executive Director (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 two would be held at Health Canada Headquarters in Ottawa, Ontario. BOP would send two staff to each meeting. This would require one-time costs in FY06 for staff and associated costs and travel that exceeds those for typical out of state travel. Staff would include a .06 FTE Executive Director (WMS 3) and a .03 FTE Pharmacist Consultant.

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.

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. 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.

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.

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		0.2		
A-Salaries & Wages	20,000		20,000		
B-Employee Benefits	4,000		4,000		
C-Personal Serv Contr					
E-Goods and Services	26,000		26,000		
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:	\$57,000	\$0	\$57,000	\$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
Executive Director	84,996	0.1		0.1		
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		
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 Systems Quality Assurance (060)	51,000		51,000		
Administration (090)	6,000		6,000		
Total \$	57,000		57,000		

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 1-4: 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.