

Multiple Agency Fiscal Note Summary

Bill Number: 6203 E S SB	Title: Practice of pharmacy
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.1	0	30,000	.1	0	11,000	.0	0	0
Total	0.1	\$0	\$30,000	0.1	\$0	\$11,000	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Robyn Williams, OFM	Phone: (360) 902-0575	Date Published: Final 2/19/2016
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 44117

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6203 E S SB	Title: Practice of pharmacy	Agency: 160-Office of Insurance Commissioner
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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: Chris Blake	Phone: 360-786-7392	Date: 02/15/2016
Agency Preparation: Stacy Middleton	Phone: 360-725-9651	Date: 02/18/2016
Agency Approval: Jim Odiorne	Phone: (360) 725-7106	Date: 02/18/2016
OFM Review: Robyn Williams	Phone: (360) 902-0575	Date: 02/19/2016

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.

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.

Part III: Expenditure Detail

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.

There appears to be no fiscal effect as written. The bill includes new regulation for procedural requirements for pharmacies, pharmacist, and prescribing physicians at both long term care facilities, hospice, and institutional facilities. The bill defines "institutional facilities" but does not clarify who is/is not included. OIC continues to monitor this bill because bill changes could impact WAC 284-43-9997/WAC 284-170-470 and WAC 284-43-2020. The OIC just completed extensive rulemaking on pharmacy prior authorization/utilization process to implement SB6511. Both "institutional facilities" and Hospice programs provide covered services in the insurance contract and are contracted providers.

Individual State Agency Fiscal Note

Bill Number: 6203 E S SB	Title: Practice of pharmacy	Agency: 300-Dept of Social and Health Services
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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: Chris Blake	Phone: 360-786-7392	Date: 02/15/2016
Agency Preparation: Bryan Way	Phone: 360-902-7769	Date: 02/18/2016
Agency Approval: Ken Brown	Phone: 360-902-7583	Date: 02/18/2016
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 02/18/2016

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 has no fiscal impact and would not change practices at DSHS settings with pharmacies or oversight performed by the Aging and Long-Term Support Administration's Residential Care Services division.

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.

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.

Part III: Expenditure Detail

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.

Individual State Agency Fiscal Note

Bill Number: 6203 E S SB	Title: Practice of pharmacy	Agency: 303-Department of Health
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.0	0.1	0.1	0.1	0.0
Account					
Health Professions Account-State 02G-1	0	30,000	30,000	11,000	0
Total \$	0	30,000	30,000	11,000	0

Estimated Capital Budget Impact:

NONE

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.

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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: Chris Blake	Phone: 360-786-7392	Date: 02/15/2016
Agency Preparation: Donna Compton	Phone: (360) 236-4637	Date: 02/17/2016
Agency Approval: Summer Wurst	Phone: (360)236-4537	Date: 02/17/2016
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 02/18/2016

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.

Section 3: Requires a pharmaceutical services committee to determine the type, quantity, storage, and security of drugs for emergency kit or supplemental dose kit in a long-term care setting. The pharmaceutical services committee must include a licensed pharmacist, a physician licensed under chapter 18.71 RCW, or an osteopathic physician licensed under chapter 18.57 RCW, and appropriate clinical or administrative personnel of the nursing home or hospice program as set forth in rules adopted by the Pharmacy Quality Assurance Commission (PQAC).

Section 4 (2): Allows a pharmacy to, conditionally, outsource shared pharmacy services to a long-term care setting or hospice program.

Section 4 (4): Requires the PQAC to adopt rules regarding the repackaging and reuse of unused drugs returned to a pharmacy from a long-term care setting or hospice program.

Section 5: Requires PQAC to adopt standards regarding the ratio of pharmacists to pharmacy ancillary personnel in a closed door long-term care pharmacy.

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.

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.

Rulemaking

Sections 3, 4, and 5: This bill will require PQAC to adopt rules to: (1) determine the type, quantity, storage, and security of drugs for emergency kit or supplemental dose kit in a long-term care setting; (2) determine standards for outsourcing shared pharmacy services; (3) determine repackaging and reuse of unused drugs returned to a pharmacy; and (4) determine standards regarding the ratio of pharmacists to pharmacy ancillary personnel. These rules will require an 18-month rule project with five stakeholder meetings, as well as, one formal rules hearing. Rulemaking will involve staff from PQAC and the Office of Health Professions and Facilities. One-time rulemaking costs will include staff-time and related costs, commissioner travel, and Office of Attorney General support. In fiscal year 2017, costs will total 0.10 FTE and \$30,000 and in FY 2018, costs will be 0.10 FTE and \$11,000.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years		0.1	0.1	0.1	
A-Salaries and Wages		13,000	13,000	5,000	
B-Employee Benefits		4,000	4,000	2,000	
E-Goods and Other Services		9,000	9,000	4,000	
G-Travel		4,000	4,000		
Total:	\$0	\$30,000	\$30,000	\$11,000	\$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 2016	FY 2017	2015-17	2017-19	2019-21
HEALTH SERVICES	70,056		0.1	0.1	0.1	
CONSULTANT 4						
Total FTE's	70,056		0.1	0.1	0.1	0.0

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.

Section 3, 4, and 5: Requires the department and PQAC to adopt rules necessary to implement this bill.